Featuring Pulp and Paper Industry

THE FINANCIAL POST

The Canadian Newspaper for Investors

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AN ANALYSIS OF CONFERENCE OF CAPITAL-LABOR

Salutary, Harmful or Negligible?—Opinions Differ

IT SHOULD DO GOOD

Consensus of Opinion Seems to Indicate That Employers and Workers Have Learned of Each Other

By an Industrial Correspondent.

OTTAWA.—Salutary, harmful, or negligible?

Which is the correct term to apply to the results of the Industrial Conference?

There is much difference of opinion, and there are upholders of all three views.

Those who regard the conference as futile, point to the fact that the only agreements reached were on colorless resolutions, referring contentious problems to boards and commissions without expression of opinion on the merits of the case. On important matters like the eight-hour day and collective bargaining, there was no unanimity, each side merely embodying its views in a resolution and laying it on the table.

Ben Tillett, M.P., fraternal delegate from the British Trades Union Congress to the Canadian Trades and Labor Congress at Hamilton, is quoted as being of the second group of critics, those who regard the Ottawa Industrial Conference and all such gatherings as harmful.

Tillett's Criticism

"Conferences," he said, "if carried out in an academic spirit, do more harm than good. They create antagonism between the classes, they widen breaches that were perhaps only of a small nature before, and, finally, when the conference finishes without an agreement being reached, both parties leave in a fighting spirit."

Mr. Tillett was speaking without actually having seen the Ottawa conference. If he had been there, he probably would have modified his remarks. For, although it is undoubtedly true that a good many labor delegates left Ottawa in a disappointed frame of mind, it was regret they felt rather than anger. They had looked for more "agreements" with employers than they secured, but the tone of the main conference and of the small committees was, on the whole, so friendly that little or no wrath could be engendered.

The rank and file of labor, not cognizant of all the factors in the situation, nor of the atmosphere surrounding the gathering, may be a little perturbed at the result, but most of their leaders are of the opinion that, taken all in all, good resulted from the conference. This optimistic estimate, indeed, is the one most generally held by men on both sides. Except among thoughtless persons, however, it is an optimism tempered by realization that the industrial problem still remains in an unsettled condition.

Employers Had Eyes Opened

The attitude of employers is interesting. While feeling that further investigation must precede a universally legalized eight-hour day, and that the right of the "open shop" must be emphasized and a definition of collective bargaining with prudent restrictions maintained, at the same time they left the conference with an increased respect for labor's intellectual and debating ability and for its possibilities of genuine friendliness.

Too, often, in the past, employers and employees have come together only on the verge or in the very midst of an acrimonious dispute, in which the feelings on both sides were abnormal, because heated and suspicious. The aim on this occasion was to discuss problems affecting industry and its parties in a deliberate, comprehensive way.

Whether or not this first conference is followed by another, it is certain that leaders on both sides, when either together or separately, they now discuss again the conference problems, will view them in a fuller light than they did previous to the Ottawa gathering.

Melville P. White, of Toronto, speaking for the employers on the eight-hour day, not only asked the employees to study the arguments

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ONE-THIRD OWN STOCK

Steel Corporation's Plan Enables 80,000 to Become Holders

Of the 240,000 employees of the Steel Corporation at least one-third, or 80,000, have a financial interest in the corporation as stockholders. Over 45,000 employees are stockholders of record—that is, they have fully paid up for stock subscribed for years ago and the securities now stand in their names. There are probably not less than 75,000 employees now paying for stock under the corporation's profit-sharing plan. Subscriptions under the plan in recent years have been heavy. In 1919 some 61,000 employees took stock.

COMMERCE PROBE IS HITTING FARM PRODUCTION HARD

Auction Sales Reflect the Disturbance in Industry

PRICE SITUATION

Decline Due to American Prosecution of Livestock Dealers Which Will Curb Production

By F. M. CHAPMAN
Editor "Farmers' Magazine"

Farmers have been somewhat disturbed over the way the Court of Commerce has apparently been singling out the producer in its investigations. First, by an order preventing a rise in the price of milk for forty days, this new body struck hard at farm production at a critical time. Just as many farmers are debating whether to carry on in the dairy business during a long winter with a high feed bill ahead, with a shortage of farm-grown coarse grains, this interference with business has decided the case for an auction sale. And so production suffers. Many a herd will go under the hammer and many another will be fed only enough to carry them through the season without the feeding of high-priced concentrates to produce milk, which J. E. Brethour, of Burford, a leading 300-acre farmer, declares is not paying its overhead now. The farmer knows that there is little chance of lowering feed prices. There is a shortage of oats and barley. Linseed is high, cottonseed is higher, while flour and wheat prices are fixed. In fact it looks as if no real good can come of an economic interference such as is being attempted.

Dangers of Situation

The danger of the situation was placed very well before the board by D'Arcy Scott of the National Dairy Council.

The interim order advised has been acted upon, but not before a certain damage has been done. The farmers, in their associations, are not profiteers, and they are perfectly satisfied to have their case put under the white light.

Already meat prices to the farmer have tumbled, owing largely to the American unwise persecution of packing industries. Indecision marks all feeding propositions, and many good feeders are going to the shambles when they should go into feed lots to keep a normal supply of foodstuffs for the nations. No farmer in Canada knows where he is at in the matter of winter feeding of beef, hogs, or mutton. In the hog trade the deadline of profits is already reached. Further declines will wipe out the farm pens similarly to a former occasion. Such a calamity means dear pork next summer and fall, besides putting our European trade in jeopardy.

At the auction sales throughout Ontario this last week, prices suffered a drag owing almost entirely to the present investigations about something that the law of supply and demand ought to regulate entirely. Too long politicians have been listening to the street parlance that says the farmer makes money out of his feed if he does not out of pork or dairy products. But every business man knows that one business must stand on its own legs, as J. E. Brethour said. The dairy business must stand on its own bottom.

Farmers feel generally that this investigation has been brought on to impress urban consumers with an unconcern about production and economic law that is almost a tragedy at the present state of labor on the farm.

BIG STEEL STRIKE AN UNSETTLING INFLUENCE HERE

The Canadian Mills Do Not Stand to Benefit Materially

EXTENT OF TIE-UP

Some Figures Indicating Number of Plants Involved—Two Previous Strikes in the Steel Industry

By A. R. KENNEDY,
Editor "Canadian Machinery."

The big steel strike has been under way for a week, and yet it is too soon to judge the probable results. Strikes have a habit of growing. In fact it is easier for them to grow than to diminish, and it is not very hard to see the reason for this. A man who wants to go to work in a plant where a strike has been called has to become a market individual in the community. He cannot go in peace neither can he leave in peace. He is the target for the pickets all the time he is out of the shop, and his home life is turned into a period of mental torture, to say nothing of the violence that may be resorted to. The pickets and strikers have hundreds of chances to get access to him, to try and persuade him to quit work, and to keep their influence before him constantly.

On the other hand it is hard for the other side to the fight, viz., the employers, to get in touch with the men who have gone out on strike, and who might be reasoned with and persuaded to return to their positions. And so it is only natural to suppose that the strike would increase in its earlier stages, rather than decrease. It has been found to work this way before, so why not again?

The Position of Canada

To the casual observer it might appear as a splendid time for the Canadian steel mills to take on a large tonnage, were the output of the U. S. mills to be curtailed or stopped entirely as it has been in some places. The output under present conditions is hard to calculate. A steel mill is a continuous process and inter-dependency of departments is very sharply marked, so that it would not take much of a disruption to tie up the works. Interfere with the blast furnaces or the open hearths, or with the other departments that come before the finishing processes, and mills producing merchant bars, plate, sheet,

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TO BRING BANANA WEATHER TO CANADA'S EAST COAST

Old-time Project of Damming Belle Isle Straits is Revived

Interest of British Capital is Aroused, Ottawa Now Hears

By Resident Representative.

OTTAWA.—Those of our readers who are past the first flush of their youth may remember when the plan originated to dam the straits of Belle Isle between Newfoundland and Labrador. It was certainly a good many years ago, although the project has been mooted several times since, and the transactions of the geographical societies of the world contain frequent reference to it. It is nearly twenty years since the proposal was last put forward; and most of us had long since abandoned the hope of eating oranges grown in Nova Scotia, which was one of the blessings to flow from this proposal to shift the arctic current, bring the Gulf Stream into line where it would be useful to us, and generally revolutionize the climate of North America. What might happen thereby to those lands now warmed by the gentle raidance of that stream is another matter. Let them go on keeping the home fires burning; us for the cheap heat brought by the Gulf Stream all the way from the shores of Mexico.

The project is revived once more, and this time it has behind it men of undoubted standing both in Great Britain and Canada, as well as the capitalists who would put up the few millions necessary to build the dam. English capital is still looking for an outlet; the straits of Belle Isle project, it is calculated, would absorb about ten millions of it.

Dr. Pelletier, the Agent General for the Province of Quebec in London, and Mr. L. A. Cannon, M.L.A. of Quebec, have been in Ottawa discussing the project with officials of the Government; and a concrete proposal will be laid before the cabinet at an early date. The above named gentlemen, who are of undoubted standing, assert that they are making the move at the instance of English capitalists, who are prepared to go on with the project as soon as the consent of the governments immediately concerned is secured. The legend on the map which Messrs. Pelletier and Cannon exhibit, contains the following:

"The water which flows out of the Gulf stream now is of about the same or

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WAYAGAMACK EXPANDS

Four New Machines Will Greatly Increase Output

MONTREAL.—Wayagamack Pulp and Paper Company, THE FINANCIAL POST learns, has ordered four new machines in England for making glazed kraft paper which will increase their capacity about 40 to 50 tons daily. The cost will run about $750,000, and is likely to be met out of a new issue. The demand from England for kraft paper has increased greatly of late and is expected to continue. A dividend on the common stock is looked for early next year.

EUROPEAN CREDIT FORMS BIG PART OF VICTORY LOAN

Has Bearing on British, French and Roumanian Trade

TOTAL $300,000,000

Proceeds Will be Used to Discharge Debts Incurred by Expenditures Due to the War

By Resident Representative.

OTTAWA.—The forthcoming Government loan will be for the sum of three hundred million dollars, and the proceeds will be used to pay debts incurred under various heavy expenditures connected with the war, on shipbuilding and other national undertakings for which it is necessary to provide credits. No mention is made of the railway enterprises of the Dominion, but they will no doubt get their share.

A very large part of the loan—close on two hundred millions—will be required to meet the cost of demobilization, hospital work, and so forth. Over sixty millions from the new loan will be applied to the payment of gratuities. About thirty millions will have to be devoted to the land settlement plans of the Soldiers' Civil Re-establishment branch. Parliament voted thirty-three millions in last year's estimates for such purposes, including pay and allowances to soldiers undergoing treatment and training, which probably will be increased as a result of the inquiry now going on by the parliamentary committee. Other branches of the Soldiers' Civil Re-establishment will probably account for 33 millions.

Credits to Europe

Mention will be made of certain commitments in the way of credits for Great Britain, such as the timber credit of fifty millions, only about one-quarter of which has been taken up so far. This extends over two years, so that it will not all be needed this year. There will also probably be some mention made of the necessity of credits for the purchase of wheat. The amount in last year's loan for this purpose was nearly two hundred million dollars and considerable will be required this year.

Then there are certain foreign credits, including those of twenty-five million each to Roumania, France, and Greece, of which the Roumanian is the only one which has been operating to any great extent, although it is probable that Greece will shortly be placing considerable orders here which will require drawing on her credit here. Altogether these foreign credits will, it is thought, take 100 millions. British timber credits will probably be allotted 50 millions, and the balance will be taken up in capital expenditure on railways, shipbuilding and soforth.

It is calculated that at least 400 millions will be subscribed. Bonds will be of the denomination of 50, 100, 500, and 1,000 dollars.—T.M.F.

DAM IS COMPLETED

Canada Land Company Will Market Farms Next Spring

Water is now running over the south dam of the Canada Land and Irrigation Company's reservoir at Lake McGregor, nine miles southwest of Lomond, Alberta. D. W. Hays, general manager of the company, states that prospects are good for the colonization of large tracts of irrigated land in the district next spring

STOCK MARKET MOVEMENT IS GAINING SCOPE

American Strike is Not Regarded as a Factor

SELLING VICTORYS

Bonds Being Liquidated For Reinvestment — Mining Stocks Active—Labor Congress a Steadying Factor

The steel strike in the United States has evidently been completely ignored as a market factor on the Canadian exchanges. The movement which started a fortnight ago has, in fact, broadened to a marked extent and the volume of business has attained very substantial proportions. There do not appear to be any definite factors at work, although a number of pools have been operating in various specialties. It would seem, however, that the fact that this movement started with the closing of the bond field to make way for the Victory Loan campaign was more than a coincidence. The situation is that the extensive bond selling machine throughout the country has for the time being discontinued its operations, and the fact that this important factor in the investment market has been temporarily removed has undoubtedly turned the interest and attention of the investor to the stocks, which had long been neglected. This attention found a situation technically strong, and, as is often the case when funds are free, the public has been drawn in on the advance and the movement is being carried along by its own momentum. Whether it is mainly of an investment or a speculative character, however, is a point upon which there is a difference of opinion, the conservative idea being that the air is not yet sufficiently cleared to warrant such marked advances in the industrials.

The mining section has benefited by the general interest in stock trading and impetus has been lent to the demand by the further advance in the price of silver. If the present level for the white metal is maintained it will not only mean larger profits for the important producers, but it will also encourage the operation of properties, which have been neglected because of the small margin above the cost of operations at the present high level of wage and commodity prices.

Liquidating Victorys

While general bond trading has been reduced to a minimum, there has been a considerable movement of the Government issues through the Stock exchange. This is taken to indicate that relatively small holders and corporations—that is, the classes of investors not materially affected by the income tax regulations—have been taking profit on the outstanding issues with a view to re-investing in the new loan. This is particularly the case with companies which will be in the limelight of the campaign, so far as their subscriptions to the new issue are concerned. This liquidation has been met by a comparatively firm demand, but it is not expected that the bond situation will take definite shape again now until after the success of the Government issue can be definitely measured. In the meantime, conditions would seem to favor the buyer who is seeking a long term investment.

The Labor Congress

There has been a healthy air pervading the Labor Congress at Hamilton. The efforts of the radicals have been met with both tact and firmness and the old-fashioned, safe and sane labor union leaders appear to be still in control. These developments are an emphatic endorsation of the attitude which has been taken by THE FINANCIAL POST in advising capital to place its confidence in these tried labor leaders, who are to-day the great safeguard against Bolshevism and the insidious Soviet doctrines of enemy propagandists.

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EMINENT RUSS SAYS BOLSHEVIKI DAYS NUMBERED

Economist Thinks Move for Stable Government is at Hand

THE TRADE OUTLOOK

Big Opportunities for Canada to Get Export Orders as Soon as Semblance of Order is Restored

By Resident Representative.

OTTAWA.—Among the interesting visitors to the Capital this week has been Dr. Joseph M. Goldstein, perhaps the leading Russian authority on economics. When at home, he was Professor of Political Economy at the University of Moscow, and he has published a score of volumes on industrial and economic questions. He left Russia fourteen months ago, being warned by some of his students that the Bolsheviki had him marked. He came to the United States and has been residing in New York, working in conjunction with the Russian Embassy—which is, by the way, still accredited to the Kerensky Government, the last stable form of government in Russia—to prepare for the resumption of trade relations as soon as the storm has cleared away in his native country.

In Ottawa he has been in consultation with leading Government officials with a view to ascertaining trade possibilities between Canada and Russia. He is not asking for credits here; he says he realizes that that would be impossible for us at present; but he desires to pave the way for trade. He thinks that Bolshevism in Russia is steadily losing ground, and that a beginning to re-establish stable government will soon be made. Part of his mission is to study the influence of railroads on the development of agriculture, commerce and industry in the United States and Canada.

Trade Outlook

In reply to my question as to what he could hope for in the way of trade with a country in the position in which Russia now is, Dr. Goldstein explained that order is gradually being restored in Russia, and Bolshevik rule will soon be over. There are large parts of Russia where stable government is already established under Denekine and his deputies, Kolchak and others. Communication is being restored between Southern Russia and the outside world. An 8,000 ton ship, the "Vladimir," recently came from Novorossisk on the Black Sea to the United States, loaded with hides, skins, manganese, quicksilver, etc. She sold her cargo and bought American goods with which she has returned to Russia. There are also ships running regularly from Vladivostok to Seattle and San Francisco Such are the beginnings of trade. It will soon open up again; and Russia will offer an enormous market to Canada.

Russia is not asking for credits here now; although Great Britain and the United States are sending goods to Russia, and extending credits. The United States has made a credit of 25 millions to the co-operative socities, which are carrying on most of the trade. Large quantities of wool, fur, bristles, hides, etc., are now lying at Vladivostok awaiting shipment, and further quantities are constantly arriving. The Union of Siberian Creamery Associations is making arrangements for shipping abroad products to the value of about ten million dollars, and other co-operative unions are doing likewise. The method of trade now being carried on approximates to the old system of "barter."

Canada and Russia

It is interesting to compare the wheat exports of Russia with those of Canada. Until the second decade of this century, Canada's exports were only a litle more than a quarter of ours; but in the last three years before the war they actually exceeded our own. Until 1890 we supplied 64 per cent. of the wheat imports into the United Kingdom, but lost this proud position to Canada, Australia and Argentine. How little the immense grain trade possibilities of Russia have been cultivated is shown by the fact that Canada has nearly seven times the elevator capacity of Russia.

What Dr. Goldstein points out particularly to Canadian business men is the fact that enormous opportunities await them for developing trade with his country. He estimates Russia's requirements in the next ten years in order to raise her economic productivity to the level of even so backward a country as Austria-Hungary was before the war, at over fifty-six billion dollars, of which she cannot hope to produce over half herself. The remainder should be furnished by the Allies, with Canada having a great chance to participate. They include staggering sums for such necessaries as railroads and equipment, street, railways, pavements, telephone and telegraph lines, elevators, ships, agricultural machinery, and, in fact, machinery of all kinds; electric light and power plants; lumber, cement, fertilizers, pulp—in fact, Russia seems to need almost everything in such quantities that, if her credit were assured, she might keep the industries of several other countries pretty busy supplying. Germany held her trade before, and is after it again. Unless the Allies do their part in supplying it there is a very serious danger that our late enemy will secure commercial domination there to be followed inevitably by the attempt at political domination. Which means nothing less than the world war all over again.—T. M. F.

GOOD GREEK MARKET FOR CANADIAN PAINTS

Has Gold to Pay for Her Purchases From Canadian Firms

That Greece will become a purchaser of Canadian-made paints and varnishes on a large scale is the information secured this week on very reliable authority. Interest attached to this announcement in view of the fact that the Canadian Paint, Oil and Varnish Association, through direct efforts and representation in London last spring conducted by Mr. Walter B. Ramsay, President of A. Ramsay and Son, Company, Ltd., Montreal, secured a large amount of actual business from Roumania. THE FINANCIAL POST has been informed that the business with Roumania developed most satisfactorily and that settlements have been secured which are pleasing to the manufacturers generally.

While the Kingdom of Greece was a participant in the great war on the side of the victorious Allies, she was not so sorely stricken as was Serbia, Roumania and other of the minor central European nations. As a consequence of this she was not required to "pay the last farthing" in order to maintain her armies, and when the time of demobilization arrived and a reconstruction program was mapped out, her government found its exchequer to still contain some of the yellow metal now extremely scarce in most sections of old Europe. Credit she can have, it is stated, if credit she wants, but the indications are that she will pay the money and take the goods, making the transactions complete and disposing of the indebtedness in the regular way.

CRITIC SUMMARIZES BRITAIN'S TROUBLES

Reply to Mackay Edgar's Statement Lists England's Economic Ills

The controversy inaugurated in London by the publication of E. Mackay Edgar's statement that England is in a far happier position economically than America, still goes on in the columns of the London financial press. It will be remembered that Mr. Edgar's views were published in THE FINANCIAL POST last week. R. P. Houston, M.P., is the leader of the section that holds that England has a very dark era ahead of it. Mr. Houston's views are well summarized in this extract from one of his replies to Mr. Edgar:

"I have given the facts, which Mr. Edgar has entirely failed to deal with, among others, the facts that our imports are more than double our exports; that America is in the happy position of the reverse state of affairs; that our expenditure is about double our revenue; that our export of coal has fallen from 77,000,000 tons prior to the war to something like 20,000,000 tons; that pig-iron can be produced in the United States at £6 per ton, while it costs £9 per ton here; that steel rails can be produced in America at about £10 per ton, while it costs about £17 per ton to produce here (largely due to the cost of coal); that coal can be produced at the pit-mouth in America at 8s 6d to 11s per ton, while it costs here over 26s per ton; that coal can be sold at American ports for export or bunkers at 25s or under per ton, while the price of coal for export and bunkers at South Wales ports is 70s to 80s per ton; that America in shipbuilding can turn out more than double the tonnage per month than we do here; that America is capturing our trades in many directions, notably our shipping trades to South America; that America, instead of ourselves, is supplying continental countries with coal; that the American miner produces some 600 tons of coal per man per annum, while the British miner is satisfied with only 237 tons per man per annum. With not one of these facts has Mr. Edgar dealt.

"I have pointed out the dangers; I have also pointed out the remedies, namely, intensive production and rigid economy—rigid economy not on the part of the Government, but of the individual citizen as well. I have practised what I preached. Desperate diseases require drastic remedies, and surely no one will dispute that Great Britain is suffering from the diseases of industrial unrest, of strikes, of class hatred, pernicious teachings, indifference, wilful blindness to growing foreign competition, slackness in production, and demands for impossible conditions and the charlatan's remedies."

MAY ASK CANADA TO UTILIZE OWN FUEL RESOURCES

Arthur V. White Explains Why Pennsylvania Coal Fields Are Hard Pressed

BRITAIN'S SHORTAGE

Now Up to the United States to Supply Countries That Formerly Depended on England for Coal

That Canada can not go on indefinitely depending upon the goodwill of American coal exporters, to keep her supplied with fuel, but that she must take steps to develop her own coal resources, was the plea of Arthur V. White, of the Commission of Conservation in an address delivered at Niagara Falls. "In some respects" said Mr. White, "it is more important to move coal and have it adequately stored and distributed throughout Canada than it is to remove grain out of the country."

Mr. White explained why American coal mines find it difficult to supply this country with all the coal we need. They are called upon now to export coal to all parts of the world, that formerly depended on French and British supplies.

Mr. White said:

"In 1913, Britain supplied for export to continental Europe about 50,000,000 tons of coal, of which France took 20,000,000 tons, Italy 9,650,000 tons, Sweden 4,560,000 tons, Norway 2,300,000 tons, Spain 3,650,000, Denmark 3,030,000 tons, Holland 2,010,000 tons, Portugal 1,360,000 tons, other Mediterranean countries 3,500,000 tons. In addition Great Britain sent about 9,000,000 tons to South America and 5,000,000 tons to other parts of the world.

Shortage in Britain

"Britain's exported coal before the war constituted in point of value 8½ per cent., and in point of weight 75 per cent., of her total export trade. This coal serves as ballast for outgoing boats and enables them to return to home ports with raw material and foodstuffs. It is evident therefore what prime bearing Britain's coal industry has to her export trade. What are the conditions in Great Britain to-day? At the present time, owing to exhaustion of stocks, to shortened hours of labor, to decrease of transportation facilities, to strikes—including the recent coal miners' strike, alone involving 250,000 men—Great Britain's annual rate of production has fallen about 70,000,000 tons short of pre-war conditions. If the restrictions on her home consumption are removed, it has been estimated that she may have 7,000,000 tons of coal for export during the coming year. If the restrictions are maintained, this amount may be brought up to 28,000,000 tons. But even if all this coal were shipped to Western and Southern Europe, there would for these areas still result a deficiency of more than 25,000,000 tons. This leaves out of consideration South America and other portions of the world previously supplied by Britain.

"In France, the coal mines destroyed by the Germans—both wantonly and for military necessity—formerly produced 20,000,000 tons per annum. French engineers state that it will take from two to five years to rebuild the operating equipment, and ten years to completely restore the production rate of these mines. France, however, will be able to increase her fuel supplies owing to the occupation of the Sarre district. But she has to replace her former importations where deprived of same. France still faces serious coal shortage."

Imports From States

In Italy, Germany and other smaller countries conditions were equally as bad, said Mr. White. Referring to Canada's relations to the Pennsylvania coal fields, Mr. White remarked:

"United States' export coal is a phase of the world coal problem in which Canada is deeply interested, because she yearly imports from 15,000,000 to 20,000,000 tons of coal—anthracite and bituminous—from the States. It would not be surprising if a country like Canada, with vast fuel resources, were directed to speed up its utilization of its own fuel, and would not be left undisturbed, so to speak, in its enjoyment of burning what is now one of the luxuries of the world, namely, anthracite from the coal fields of Pennsylvania. With the growing scarcity of coal, the United States, no matter what her good will or desire towards Canada may be, may not be able to cope with her own and with the prevailing world need. There is no doubt that our neighbor will see that Canada is fairly dealt with. We should not, however, trespess unduly upon friendly accommodation.

"Canada's only sane policy is to develop, and that as rapidly as possible, both her own fuel and power resources, and by co-ordination of transportation and other cognate agencies to provide for the distribution and storage of fuel in all communities of the Dominion."

WESTERN CORDAGE

New Westminster, B.C., has passed the by-law providing a free site for the Canada Western Cordage Company, Ltd., a returned soldier enterprise. The company was recently granted a loan of $200,000 from the British Columbia Government, as was reported in THE FINANCIAL POST, and the loan was made contingent upon the granting of a free building site by some British Columbia municipality. Work will be started immediately on the company's plant, which it is estimated will cost $80,000. Machinery costing about $80,000 will also be installed.

SOVIET FINANCING

Bolshevist Rulers Sharpen Their "Economic" Policy

Reporting to the United States Government on economic conditions in Russia, Commercial Attache Anderson states that the general economic policy of the People's Commissary Government has not been modified, but lately been sharpened and emphasized. One decree declares that all capital, stock and bonds in newly nationalized private undertakings are null and void, and another requires foreigners and foreign institutions in Russia to state the location, value and extent of their property and means.

ADVERTISING NEEDED BY FINANCIAL FIRMS

Public Should Not Be Allowed to Forget War-Learned Lessons

The bond house that puts good investments in the hands of the public is not only vigorously pressing its own business but is performing a public service in selling the investor an income, according to John M. McMillin, manager of the bond department of Henry L. Doherty & Co., New York, who delivered an address on "The New Investor" to the financial advertisers at the Associated Ad. Clubs' convention in New Orleans, on Wednesday. Mr. McMillin pointed to the necessity of advertising for getting the general public to follow up the ideas of investment that they learned in the Liberty Loan and Victory Loan campaigns.

H. B. Grimm, director of the department of new business of the St. Joseph Valley Bank, Elkhart, Int., said that banks and financial houses must advertise if they were to keep up with modern business. "As a banker," suggested Mr. Grimm, "let me suggest that you forget precedent. Stay out of the rut, for after all a rut is only a small grave."

F. D. Conner, manager of the publicity department of the Illinois Trust and Savings Bank, pointed out the necessity of specialization in financial advertising. "Advertise to your own people," he said. He suggested that 75 per cent. financial advertising should be in papers circulating among financial men and 25 per cent. among the general public. "Be different," was Mr. Conner's exhortation to financial advertisers.

D. McEachern, secretary of the Huron and Erie Mortgage Corporation, London, delivered a paper on, "Gingering up the Savings Department," which is reprinted on page 9.

DULL OUTLOOK IN FLOUR INDUSTRY

Export Business Slim and the Domestic Demand is Easily Filled

The outlook for the milling industry at the present time is none too bright and gives no immediate indication of improving. Export business is practically a thing of the past and a possibility of the future. There is a good domestic demand, but good as it is, the mills running even at a comparatively limited capacity are more than meeting it, and are laying up reserve stocks, which, if they are not disposed of on some export market, will inevitably mean the closing of the mills for some time.

The situation at the present time either from the standpoint of the millers or the country as a whole is anything but satisfactory. There is no export business at the present time, and though pressure is being brought to bear to change the situation in this regard, there is no assurance at this time that anything can be done. The export market at present time is ready to take wheat, but not flour. It is probable that there will only be difficulties of finance to be overcome in marketing this year's wheat crop, but if it should be marketed as wheat instead of as flour, it would present a serious situation, not only to the mills, but to the farming community also, who absolutely require the feeds that are the offal of wheat milling to encourage the livestock business. The milling of Canadian wheat abroad would mean advancing mill feeds to still greater heights, which would have a most serious effect on the production of livestock.

AEROPLANE PLANT SOLD

Imperial Munitions Board Negotiates Sale for $600,000

The Canadian Aeroplanes, Ltd., plant, on Dufferin street, Toronto, has been sold by the Imperial Munitions Board to the Columbia Graphophone Co. for $600,000. The frontage on Dufferin street begins a few yards north of Lappin Ave. and Dufferin street, and runs north 333 feet, while the depth of the property is 1,320 feet, or a quarter of a mile. The building is a two-storey structure, containing 250,000 square feet of floor space, and is the second largest plant in Toronto under one roof.

CAPITAL-LABOR IN AMICABLE DISAGREEMENT

Ottawa Conference Resulted in Much Better Understanding

THE EIGHT-HOUR DAY

Generally Accepted That It is Coming With Exceptions—Employees Feel That it is a Step to Other Demands

By Resident Representative.

OTTAWA.—The report of the Industrial Conference sent to the FINANCIAL POST last week prepared, as it necessarily was, in the middle of the week, was written at a time when the whole work of the conference was still in a state of flux. The contentious matters before the conference, such as the eight-hour day and the right of employees to organize—items Two and Four on the agenda—were still in the hands of the joint committees appointed to consider them; and, as a matter of fact it was not until the closing hours of the conference on Saturday that a report was brought in. As was generally expected, no agreement was arrived at on those matters. But something was done, at least, in that the two sides considered these very contentious and troublesome matters calmly and dispassionately, and agreed for the present, at least, to disagree.

Just where the convention arrived at regarding them is indicated by the reports brought in. With regard to the eight-hour day, as it is loosely called, the resolution brought in was as follows: that appropriate Government Commissions, composed of an equal representation of employers and employees of the various industrial, producing and distributing industries should be appointed to undertake investigations as to the adaptability of the hours of labor principles of the Peace Treaty to the different industries of the country, and to report as early as possible.

The general comment on this will probably be: "Another Commission!" but it is hard to see, under the circumstances, what other course could have been followed. The two parties were absolutely opposed in their views, and neither side showed any disposition to relent, although some of the members of the conference expressed the belief that if they had had a longer time to discuss and deliberate some agreement might have been reached. Mr. John R. Shaw, of Woodstock, who acted as chief spokesman for the left side of the House (capital), said: "Believing that I express the sentiment of the majority of those behind me, I say that we recognize the principle of the eight-hour day as embodied in the Peace Treaty." At all events, both sides agreed that no vote should be taken on the question, but that the reports should simply be embodied in the general report of the conference. Mr. Rigg, speaking for labor, made the suggestion that it might be the duty of the Government to determine as to the value of the respective opinions presented, and prepare legislation dealing with the matter. The chairman agreed that this was the best course of action under the circumstances. So this matter ended, as a matter of fact, by passing the buck back to the Government, as was fully expected would be the case.

Provision For Exemptions

In presenting the employees' side of the matter, J. A. Maclelland submitted what may be the ultimate solution. Perhaps the main objection to the proposal, so far as the employers was concerned, was that there were certain industries, such as farming, fishing and lumbering, where because of climatic and seasonal conditions, the eight-hour day would be impossible. The employees' report suggested that if it can be established by investigation that this is so, they should be exempted. It is thought probable that if such an arrangement could be made, both sides might agree on the eight-hour day. But as already mentioned in this correspondence, there will be very great difficulty in securing permanent exemption of individual industries from the operation of the law, if it should be passed. It is now up to the Government, and probably to Parliament, to thresh the matter out.

The Third Group, as they are called, including various public, Government and other interests, present a separate report approving of the labor clauses of the Peace Treaty, and recommending that the Governments of Canada providing for the eight-hour day in all industries where it is now established and that, after investigation by a Commission the required legislation shall be enacted by the Governments of Canada to all industries where it can be applied, having due regard to the curtailment of production and distribution. This, it must be admitted, has a number of strings attached to it; and is neither very definite nor very satisfactory. It was explained that the idea was that whichever government, Provincial or Dominion, having jurisdiction should pass the law. The chairman truly said that "there have been so many commissions appointed that it is looked on by some people as a joke."

Right to Keep "Open Shop."

The other contentious matter referred to above was item number four on the agenda: the right to organize, recognition of labor unions, and the right of collective bargaining. J. P. Anglin of Montreal presented the report on this subject for capital and it was, briefly, as follows: employers admit the right of employees to join any lawful organizations; but they insist on the right to maintain "open shops" when desired. They also maintained that employers should not be required to negotiate except directly with their own employees. The report of labor did not insist on the "closed shop" principle expressly, stating that "entering into agreements and bargaining collectively with an association or union of employees does not mean recognition of the 'closed shop' unless the agreement so provides." In the matter of the recognition of labor unions they differed from the employers in employing the term "duly accredited representatives." They added a suggestion that legislation should be enacted making it unlawful to discharge an employee merely for belonging to a union or for legitimate labor union activities outside of working hours. The Third Group did not bring any report.

The attitude of Tom Moore and the other saner heads at the conference was admirable. There were labor men present, both from the East and from the West, who would have liked to have expressed sentiments which would have set the conference in a blaze; but they never got very far, and it may be said for the other side that, with trifling exceptions, they were liberal and reasonable in their utterances. If negotiations could be continued as they have been begun here, and between representatives of the same calibre, there is no doubt that we should have a fair chance of industrial peace in Canada.—T. M. F.

BIG DRY DOCKS ON PACIFIC COAST

Coughlan & Sons of Vancouver Have Plans for New and Modern Plant

By Resident Representative.

OTTAWA.—A number of Canadian shipbuilding concerns, or those who have ambitions to become so, including the Wallace Shipyards and the Pacific Construction Company, have filed plans with the Public Works Department for proposed dry-docks on the Pacific Coast to take advantage of the Government subsidy of four and a half per cent. offered for such industries. Prominent among those firms who have submitted plans is the firm of J. Coughlan & Sons, of Vancouver, who have purchased a property on Burrard Inlet at the east end of the city near the sugar refinery, with the intention of constructing a first-class modern dock of the second class, which will cost about $3,750,000. On this they are seeking the Government subsidy. The large shipyards of the Coughlan Company are situated on False Creek, and the addition of a graving dock such as they propose to build will make their plant one of the most complete on the whole Pacific coast. The dock they contemplate building will be 700 feet by 106, and will accommodate shipping on the Pacific coast for many years to come. The width of the Panama Canal is 94 feet.

The Coughlan Company propose to build this dock with their own money with the exception of the regular Dominion subsidy. The company employ about three thousand men at their present plant, where they have constructed eleven ships on the Government programme, the most of them of the 8,100-ton class. They now get all their plates from Pittsburgh. It has been suggested that a line of steamships be put on between Montreal-Halifax and Vancouver, and if this were done they could get their plates from Sydney.

At the present time the Coughlan yards could secure numerous contracts from Sweden and other European countries where shipping is scarce, but the rate of exchange works badly against the proposition. The adverse exchange on a two million dollar ship at the present time would be about $250,000. They are in a position, however, to build ships on their own account, and figure that while shipping rates are so high as they are at present that they will get a large part of the cost back and be in a position to sell when the exchange is more favorable. At present they are willing to go on with the building of the dock with their own capital and wait for the payment of the subsidy until they have completed the work.

COMMERCE BOARD NOT RESPONSIBLE FOR PRICE DECLINE

Law of Supply and Demand is Still Dominant Factor

SITUATION IN U. S.

Live Stock Market Appears to Be Afflicted by Fear of Legislation Which Will Harm the Industry

By J. L. RUTLEDGE
Editor, "Canadian Grocer."

Owing to the prevalence of investigations into the cost of food products there is a tendency to assume that when any food product declines in price it is because the producer is trembling lest the footsteps of one or other of the board should approach his doorstep. As a matter of fact, save in one or two instances where an actual limit of price has been set, or where a prohibition against any change has been imposed, the various investigations of the board have had little or nothing to do with prices. Moreover, it is fairly evident that the public as a whole are too wise to expect too great results from any such system of investigation, else why is it that after due advertisement of the fact that the board was to sit in Montreal, it actually did sit for a while only to eventually postpone its session because no one appeared before it to lay complaints?

This has been more or less the history of its deliberations from the start. Yet, despite this fact, there are people who still claim that bacon is going down and beef is going down, and lamb and mutton is going down because the packers, so to speak, have seen the writing on the wall.

Looking at it from the viewpoint of those who know, there is a tendency to disregard this writing on the wall theory. They don't seem to have noticed anything of the kind, and they are ready to contend that the movement of prices is occasioned by the same business laws that have operated to change prices since trading first began. Take the case of bacon, for instance. It has gone down because the price of hogs has gone down, and they in turn have gone down firstly because the shortage of feeds and the advance of winter has led the farmer to market his stock heavily, and because the urgent demand from overseas is a thing of the past. In other words, because supply is greater and demand is less.

The Adjusting Process

In the United States there is some ground for the impression that fear of Governmental legislation is at the bottom of the price declines. The United States packers in the Kenyon Bill are forcing proposed legislation that would be the death knell of the packing industry, and the livestock industry as well. Unquestionably this is having an effect on prices because it is making the packer less eager to buy, and the farmer more eager to sell. In so far as the reflex from such conditions can be attributed to the Board of Commerce in Canada, prices are being affected by these conditions.

Or take the prices of beef. There are notable declines reported, but such declines, be it noted, are only in lean cattle, heavy stock is still selling at a premium, and prime heavy beef is still selling at former prices. The reason again is merely that the high price of feeds is forcing on the market cattle that under normal conditions would be wintered, that there is, therefore, an over-supply of a grade of beef that is not fit for storage or export, and that consequently there is a glut.

There is a decline in lamb and mutton, in a large measure from the same causes, in addition to which is the fact that American buyers have ceased to be interested. The Canadian market on these products has long been bolstered up by American buying, because these products could be imported duty free whenever the Canadian market was low enough to warrant it, thus the Canadian market was kept at higher levels than the Canadian demand would warrant, while the Canadian buyer who has to pay a duty had no way of taking advantage of declines across the line.

Taking it by and large, it would appear that it is not so much the condemnations and declamations of the Board of Commerce, as the orderly working of the much abused law of supply and demand that is affecting prices.

The Canadian Bar Association, meeting at Winnipeg, decided to press for more uniformity of provincial laws. Among the suggestions put forward by the convention were the general adoption of the Sale of Goods Act and the Partnership Act, enacted in England in 1893 and 1890 respectively.

RE-BUILDING BELGIUM

Reconstruction of War-Torn Areas Suggests Trade Possibilities

That reconstruction work now going on in the war-devastated areas of Belgium and Northern France opens up tremendous possibilities for Canadian trade, is the message brought to Canada by Dr. L. P. Pelletier, agent general for Quebec in Europe. Speakbefore the Quebec Board of Trade, Dr. Pelletier suggested the formation of Government agencies in the former battle area to get building contracts for Canadian firms.

Mr. Rene Dupont, of the Corporation of Municipal Debentures of Quebec also spoke on the needs of Northern Europe after the war, and forecast an intense activity for the Canadian industries that are sufficiently awake to the possibilities to grasp the occasion of entering a field where the demand is assured for years to come.

SHOULD EXTEND CREDITS

Agent of African Bank Disagrees With Trade Commissioner

The contention of W. J. Egan, Canadian Trade Commissioner to South Africa, that the extension of credits to South African importers would not be desirable from the standpoint of the Canadian exporter, is not confirmed by William Logan, New York manager of the African Banking Corporation, who visited Toronto this week. Mr. Egan stated that South African importers were accustomed to doing business on the basis of "cash against documents," and that the extension of credits by Canadian manufacturers would not aid in increasing our trade with the other country. Questioned about this by THE FINANCIAL POST, Mr. Logan said:

"Canada can not hope to increase her trade with South Africa unless she is prepared to follow the example of American and British exporters and sell goods on a thirty, sixty or ninety day basis. There are a great many reputable business houses in South Africa, established there for many years, and many of them controlled by representative English capitalists. They are perfectly safe to do business with."

FIVE-CENT FARE IS NOT ADEQUATE

Philadelphia Only Large City in States Where Cheap Service is Given

PHILADELPHIA.—This city is the only large city in the country which has continued to maintain street car service on a 5-cent fare under conditions satisfactory to both the company and the riding public. Detroit still charges a 5-cent fare, but efforts have been made by the company in that city to increase fares, the city authorities having interfered by passing an ordinance forbidding the increase. The company has appealed to the courts and the matter is still pending. In Philadelphia the Rapid Transit Co. gives service which, although it may not be all that might be desired at times, is sufficiently good to make the public feel that it is getting its money's worth. The company is earning enough to pay 5% dividends on the stock.

San Francisco maintains a 5-cent fare, but results are far from satisfactory to the operating company, which is engaged in various kinds of ligitation in an effort to improve the situation. In New York the 5-cent fare with a 2-cent transfer charge is grossly insufficient to provide the revenue necessary to keep the companies' heads above water and receiverships have resulted, as is the the case in Brooklyn and Buffalo. The Cleveland Ry. Co. has been able, under a service at cost plan, to maintain a 5-cent rate with a 1-cent transfer charge. The service at cost plan has resulted in 10-cent fares in Boston.

San Francisco has tried municipal ownership on some of its lines, while Seattle operates all the lines through the Seattle Municipal Railways Co. Municipal ownership in Seattle has not been able to prevent a fare increase, the present rate being 6 cents.

Figures furnished by the American Electric Railway Association show that on September 11 there were 70 street railway companies in various parts of the country in the hands of receivers with a total mileage of 6,306 miles of track.

EMPLOYMENT SITUATION

Improvement In Conditions During First Week of September

OTTAWA.—Weekly reports from employers to the Dominion Headquarters of the Employment Service of Canada, Department of Labor, indicate that, apart from unemployment due to strikes, there was an appreciable increase in the volume of employment during the week ending September 6th. Returns have been tabulated from a great number of firms than hitherto, and the number of persons on payroll of the firms reporting is now well over the half million mark.

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COCKSHUTT PLOW MAY PAY ARREARS ON PREF. SHARES

Further Dividends Forecast by President in Annual Report

PROFITS INCREASED

Company Has Best Year Since 1913 and Surplus of $399,000 is Shown on Operations

Further marked increases in profits were shown by the Cockshutt Plow Company, Ltd., during the year ending June 30, according to the annual report, which will be presented to the shareholders at the annual meeting on October 27. Profits for the year were $571,586, the largest amount since 1913, when profits were $753,298.

Referring to the company's present position, Col. Harry Cockshutt, the president, says in his report:

'The position of the company has materially improved. We have been able to pay four quarterly dividends of 1% on the preference capital, and we expect to continue the dividends until conditions become more settled. We further hope to declare at an early date a dividend of 3½% on account of deferred dividends on the preferred stock."

Comparative figures of the company's operations for the past three years are as follows:

	1919	1918	1917
Profits	$571,586	$553,215	$370,745
Profits of Affil. Co.	......	......	34,965
	$571,586	$553,215	$405,710
Deduct—			
Reserves	$......	$700,000	$350,000
Dividends	258,600	258,600	......
Net balance	$312,986	*$405,385	$ 55,710
Prev. balance	86,401	491,786	436,076
Surplus	$399,387	$ 86,401	$491,786

*Deficit.

Analysis of the company's balance sheet shows strong reserves, amounting to some $3,000,000, while there is a credit to profit and loss account of $399,387.85. Property and plant are listed at $7,920,361, as compared with $8,036,689. There is little change in the value of stocks on hand and accounts receivable. The figures are: Stocks on hand 1918, $2,494,096; 1919, $2,844,446; accounts receivable, 1918, $4,536,068; 1919, $4,603,841. Cash on hand, given last year at $41,143 has increased to $67,483.16.

On the liabilities side there has been little change. Loans to bank, etc., are $594,767, an increase of some $17,000 from last year, but still much below the 1917 amount of over $2,000,000. Accounts payable, including estimated income war tax, are $598,650.

RAILROAD EARNINGS

For the third week of September, gross earnings of the Canadian Pacific Railway totaled $3,893,000, a compared with $3,114,000 for the corresponding period in the previous year, an increase of $779,000, or 25 per cent.

The Canadian National Railways' earnings for the third week of September amounted to $2,033,374, as against $1,607,019 for the same period in 1918, an increase of $426,355, or 26.5 per cent.

AMES-HOLDEN-McCREADY

The strength for Ames-Holden common has continued this week with the high touching 80, or thirty points above the low of the month. The preferred also made a new high at 108½.

F. N. BURT

Burt securities made a couple of records for the year this week when the common touched par and a quarter above and the preferred made a new mark 100 even. Roughly speaking the common has made twenty points and the preferred ten points this year.

TOOKE BROTHERS

Tooke Bros. common has been in popular request recently, and a high of 66 has been recorded, indicating a gain of about twenty points in the past couple of weeks.

WESTERN LUMBER

In July the sales of the Canadian Western Lumber Company, which includes those of the Columbia River Lumber Company, amounted to 13,676,966 feet, for which $405,563 was realized. For the same month a year ago the sales were 8,934,303 feet, while the price realized was $234,093.

For the seven months ending with July the aggregate sales of lumber amounted to 66,628,805, for which $1,782,933 was realized, while for the same period in 1918 the number of feet sold amounted to 67,676,228, while the price realized was $1,731,968.

SOUTHERN POWER

The August earnings statement of the Southern Canada Power Company and its subsidiaries, shows gross amounting to $51,175 as against $44,518 for the same month in 1918, an increase of $6,656. Operating expenses and purchased power at $27,701 increased by $3,740, while net earnings amounting to $23,473 showed a gain of $2,915.

For the eleven months ending with August the gross totalled $538,966, a gain over the previous year of $99,815. Operating expenses amounting to $286,619 left net at $252,346, an increase of $55,878.

G. T. R. STOCKS ADVANCE

Shareholders are Evidently Confident of Company's Prospects

Grand Trunk Railway stocks have advanced rapidly on the London market since the news was received that the terms of purchase by the Canadian Government would be submitted to arbitration. The "Montreal Gazette's" London representative reports that the financial public appear to be confident of the soundness of the company's case. The decision of the Canadian Government is hailed with relief here, as it was felt the shareholders would never have agreed to the terms of the Drayton report and considered they were not receiving generous treatment. At the last general meeting of the stockholders here, the suggestion was made in fact, that the British Government be asked to take up the railway's case. The contention to be advanced by the company under the arbitration proceedings, will be that future possibilities rather than past performances of the railway be taken as the basis for fixing the value.

MONTREAL TRAMS HAD A BIG DEFICIT

Strong Argument for Increased Fares in Company's Statement

By Resident Representative.

The Public Utilities Commission is hearing the appeals of municipalities against a 7-cent cash fare in Montreal allowed them to employ Bion J. Arnold of Chicago, to go over the whole question of costs. The chairman, however, made this statement:

"Based upon the experience of the past 18 months, the Tramways Commission's report submits a deficit something like $374,000 in eighteen months' operation. They have allowed the company a very material increase in tariff. It would be very likely useful and possibly a proper thing to appoint Mr. Arnold for the purpose of examining into this question. For my own part I have studied this matter with some care and I am struck with the care and apparent conscientiousness with which the figures have been prepared. I am quite satisfied that the company and the commission between them, have done everything possible, within the terms of of the contract to keep down the actual expenses and that this deficit, which they face to-day, is one that we might term a perfectly honest deficit.

"There is no question of the figures upon which this result has been reached.

"Now the usefulness of an expert like Mr. Arnold would be determined as to whether or not in some manner or other there is extravagance or unnecessary cost of operation and maintenance in one direction or another. The actual cost of labor and material entering into it is something quite beyond his control. He may be able to suggest means and methods by which the cost of operation may be diminished.

"On the other hand, it is quite reasonable to suppose that the commission and company itself, familiar with all the details of the operation in this city, have conscientiously endeavored to reduce their operating and maintenance expenses. At any rate we feel that the figures before us are actual figures, which we are bound to investigate nevertheless."

TUCKETT'S TOBACCO

Tuckett's Tobacco continued as an active feature of the market during the week with sales running around 5,000 on several days. An advance of about 15 points has been made since the first of the month.

WINNIPEG ELECTRIC

An application has been made by the Winnipeg Electric Railway Company to the Public Utilities Commission for a temporary increase in fares, and the elimination of special Sunday rates, workmen's tickets—six for twenty-five cents—not be good on Sundays. The company claims that relief of this character is a necessity until the Commission has completed the hearing of the application for a permanent increase in fares, and is due, officials state, to the Mathers' award, which has increased the company's payroll over $400,000. The hearing for a permanent increase will be held October 15.

BRAZILIAN TRACTION

At the annual meeting of the Brazilian Traction, Light & Power Company the retiring Board of Directors were reelected without change and Sir William Mackenzie reappointed chairman and Sir Alexander Mackenzie president of the company. The meeting was chiefly routine in nature. There was some discussion as to the dividend policy, and the information elicited that no dividends are forthcoming at the present time on the ordinary shares.

DOMINION CANNERS

The success being achieved by representatives of Canadian canning interests in the Old Country has still further stimulated the public interest in the stock of the Dominion Canners, that controls the bulk of the fruit and vegetable canning of the Dominion. This eager demand from abroad, coupled with the fact of a long packing season unquestionably places the company in a very favorable position. The trading during the week represented 7,810 shares that changed hands at a range of 52½ to 57.

CANADA BREAD

The efforts of certain interests to find a market for a block of Canada Bread stock has caused an unusual activity in this stock and has advanced it to new high levels. There was exceptionally heavy trading during the week, the transfers in the common totalling over twelve thousand at various prices ranging from 22¾ to 26, which latter figure represents a new high level for the stock. The preferred also felt the effect of this unusual activity in the common and sold 870 shares at from 79 to 80.

MIGHT LEAD TO COMPETITION FOR SCOTIA TRAMWAYS

Government Commissioner May Co-operate With Halifax Power

MANAGEMENT CHANGE

H. R. Mallison Succeeded by Capt. A. L. Weston—Former Was Popular Though Interests Served Were Not

By Resident Representative.

HALIFAX.—The announcement of the formal organization of the Nova Scotia Power Commission, the appointment of which has already been noted in the FINANCIAL POST, has given rise to some speculation as to what effect it will have on the Halifax Power Company. The commission states that it will look into the development of the Indian River, and that is the source which the Halifax Power Company has been at work on for some years. It may be the means of solving some of the company's problems for they have, it is well known, been in a difficult situation as to funds to prosecute the development and make it possible to fulfill contracts made at various times with the city of Halifax and thus give what the people, whether wisely or unwisely, have long wanted—competition with the Nova Scotia Tramways and Power Company. Under the Act of the Legislature, the commission can take over the whole undertaking if they see fit—indeed the statute gives them the right, if they wish to go the whole length, to take the tramways or any other street car system, for their powers are not confined to hydraulic but they may expropriate any steam as well as hydro-electric undertakings. There is little danger, though, of this cautious commission of three going this whole length and they will certainly confine themselves to the most easily performed tasks that may present themselves.

Change of Management

In speaking of the Nova Scotia Tramways and Power Company, it can be mentioned that H. R. Mallison, who has for some years been secretary-treasurer and managing director of the company, is leaving and is succeeded by Captain A. L. Weston, as general manager. This is because of the change of management having passed from the Robert interests in Montreal to that of Stone & Webster, Boston. Mr. Mallison was personally very popular in Halifax though his company was not, there is no disputing that, and the new control doubtless thinks it good policy to make a change in the executive in this city. Besides, Mr. Mallison was fully responsible under the old system, and in the case of the new he would only be part of a big machine, and doubtless he thought it would be more congenial to himself to obtain employment in some other sphere where he would have powers akin to those he has exercised in this city, so far as the tramway is concerned. He is able and will easily find opportunities for the profitable exercise of his fine technical and executive talents, and that he may find a path strewn with more roses than he had in Halifax will be the sincere wish of a host of friends in this city. The new management are vigorously pushing their program of extensions and improvements, a work of much expense in these days of high costs for labor and material.

DIVIDENDS

Can. Salt	Oct.	1	2	Sept. 23
C.N. Prair. Lands	Oct.	1	4	Sept. 20
Inter. Petroleum	Oct.	1	50c	Sept. 30
Abitibi Paper, pfd.	Oct.	1	1¾	Sept. 28
Do., pfd.	Oct.	1	19¼	Sept. 28
Do., com.	Oct.	1	1½	Sept. 28
Woods Mfg., pfd.	Oct.	1	1¾	Sept. 25
Can. Loco., com.	Oct.	1	1½	Sept. 25
Do., pfd.	Oct.	1	1¾	Sept. 25
Brand.-Hender., pf.	Oct.	1	1¾	Sept. 1
West Ind. Elec.	Oct.	1	1¼	Sept. 23
Pacific Burt, pfd.	Oct.	1	1¾	Sept. 24
F. N. Burt, com.	Oct.	1	2	Sept. 24
Do., pfd.	Oct.	1	1¾	Sept. 24
Can. Cottons, com.	Oct.	4	1½	Sept. 26
Do., pfd.	Oct.	4	1½	Sept. 26
Lyall Cons.	Oct.	10	2	Sept. 30
Shawinigan, com.	Oct.	10	1¾	Sept. 26
Loew's, Mont'l, pf.	Oct.	15	1¾	Sept. 30
H. Smith Paper	Oct.	15	1¾	Oct. 10
Laurentide Pow.	Oct.	15	1	Oct. 13
Dom. Textile, pfd.	Oct.	15	1¾	Sept. 30
Tuckett Tob., pfd.	Oct.	15	1¾	Sept. 30
Mont. Telegraph	Oct.	15	2+¼	Sept. 30
Soo Line, com.	Oct.	15	3½	Sept. 19
Do., pref.	Oct.	15	3½	Sept. 19
Bell Telephone, c.	Oct.	15	2	Sept. 30
Asbestos Corp., c.	Oct.	15	1¼	Oct. 1
Do., pref.	Oct.	15	1½	Oct. 1
Can. Cement	Oct.	16	1½	Sept. 30
Maple Leaf, com.	Oct.	18	3	Oct. 3
Do., pref.	Oct.	18	1¾	Oct. 3
Nipissing Mines	Oct.	20	5	Sept. 30
N. S. Steel, com.	Oct.	15	1¼	Sept. 30
Do., pfd.	Oct.	15	2	Sept. 30
Russell Motor, c.	Nov.	1	1¾	Oct. 15
Do., pfd.	Nov.	1	1¾	Oct. 15
Imperial Bank	Nov.	1	3	Oct. 16
Bank Nationale	Nov.	3	2½	Oct. 15
Penmans, pfd.	Nov.	1	1½	Oct. 21
Penmans, com.	Nov.	15	1¾	Nov. 5

Harry Clarke, who for four or five years has been accountant at the Ingersoll branch of the Merchants Bank, has been transferred to Stayner, where he will be manager.

LAKE OF THE WOODS

At Annual Meeting Stock Issue Will Be Announced

A jump of five points between sales to 210, a new high point for Lake of the Woods Milling Company, was a reminder this week of the approach of what is expected to be a highly satisfactory annual statement at the annual meeting to be held on Wednesday next, October 1. Shareholders are looking forward also to a definite announcement of the issue of new stock at a price that will net holders of the stock a fair bonus. The mills are fairly busy at present.

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Limited

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THOMAS F. HOW
General Manager

THE BANK OF TORONTO

19

Booze Costs Years of Life

Insurance Records Prove Moderate Drinking Increases Death-rate 35%

LIFE Insurance figures prove that the excess of deaths among moderate drinkers over abstainers runs from 11% to 74%. It is the business of Life Insurance Companies to know the risks a man takes when he uses liquor. These Insurance men have no theories to prove and no doctrine to preach. Their figures are as cold as ice, and they make you pay for the risks you run. To them it is simply business—a matter of dollars and cents. But to you it is a matter of life and death.

Actuarial Comparison of Death Records

Ages	Total Abstainers	Moderate Drinkers	Excess Deaths Among Moderate Drinkers
20-30	4,221	4,617	11%
30-40	4,201	7,041	68%
40-50	6,246	10,861	74%
50-60	13,056	18,524	42%
60-70	29,078	34,568	19%

From tables prepared by R. H. Moore, Actuary of the United Kingdom Temperance and General Insurance Company, based on Records of over 60 years' experience.

Are You Willing to Die Before Your Time for Sake of Booze?

THE number of deaths among moderate drinkers averages 35% higher than among abstainers.

If you have habitually taken two glasses of whiskey per day or the alcoholic equivalent in beer, your chances of dying before your time are double those of total abstainers.

It has been costing total abstainers yearly millions of dollars in premiums to help to pay for excessive deaths among drinkers! Can we afford such waste of life and money in the face of the war losses of money and men?

Vote "No" to repealing the Ontario Temperance Act, and "No" to rendering it practically worthless by the proposed amendments.

"No!"—Four Times—"No!"

Answer every question on the Referendum Ballot with an X under the heading "No," and herein fail not, or your vote is lost to Temperance Progress.

Ontario Referendum Committee
JOHN MACDONALD, Chairman, D. A. DUNLAP, Treasurer, ANDREW S. GRANT, Vice-Chairman and Secretary
(1001 Excelsior Life Bldg., Toronto)

54

J.R.Ryan. C.B.Grier. J.O.Hastings

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Use Judgment In Selecting Your Investment

Experts are of the opinion that established industrial companies are due for a period of expansion. Naturally the companies whose products are essentials will be the first to benefit.

We can offer the 7% Preferred Shares (with a bonus of 25% in Common Stock) of a successful Canadian Corporation, manufacturing a staple necessity. Dividends are being paid regularly. Supply of stock is limited. Write us at once if you wish to participate.

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Business Books]

Here are a few of the books for busines men to be found in our business men's department.

Cost Accounting and Burden Application, Scovill, $2.25.

Principles of Salesmanship, Whitehead, $3.00.

Individual and Corporation Mortgages, William Lilly, $1.25.

Effective Business Letters, Gardiner, $2.00.

The Young Man Entering Business (special full limp morocco), Marden, $1.50.

The Efficient Secretary, Spencer, $1.00.

Exporting to Latin America (565 pp.), Ernst B. Filsinger, $3.25; by mail, $3.40.

Principles of Factory Cost Keeping, by E. P. Moxey, price, $1.00.

Principles of Depreciation, by Earl A. Saliers, price, $3.00.

Unified Accounting Methods for Industrials, by Clinton E. Woods, price, $5.00.

Cost Accounting, by Major J. Lee Nicholson, C.P.A., price, $6.00.

Business Finance, by William H. Lough, price, $4.00.

Write for these, or for others mentioned in our folder "Books for Better Business." When possible visit our business book department. You will see there many books of value to you.

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EDMONTON - ALBERTA

CONFUSING RESULT IN DOUBLE REPORT MONTREAL TRAMS

Big Surplus or Bigger Deficit According to Old or New Contract

NO DIVIDENDS

Indications That Shareholders Must Wait at Least Another Year—City Waits Share Also

By Resident Representative.

MONTREAL.—The annual report of the Montreal Tramways Company as submitted at the annual meeting on Thursday of this week is certain to cause confusion to the shareholders until some effort is made to present a digest that distinguishes the financial standing of the company by itself and in relation to its shareholders from its official relation to the Montreal Tramways Commission and the various items of the new contract with the city under which it operates.

For instance, in a brief statement covering the twelve months ending June 30, 1919, it is announced that the gross income from all sources for the fiscal year was $2,303,783, and expenses $1,800,537, leaving a balance to be carried forward to general surplus account of $503,246. Thus there is an apparent surplus, and the mirage impression of the printed page is intensified by the addition of this "surplus" to the surplus on hand one year before of $536,571, making a total of $1,039,817.

But this is only a minor part of the report. The main one deals with the period between Feb. 10, 1918, and June 30, 1919—the period covered by the new contract. For this period, allowing for the provisions of this contract being carried out, as outlined below, and payment to the city at the rate of $500,000 a year, there is an apparent deficit of $1,364,111, and a reference to the report recently given by the Tramways Commission shows that it estimated the deficit for the 12 months ending June 30, 1919, at $1,077,000. Yet the company's report refers to a surplus of $503,246 for this period.

The discrepancy in a sense is explained by the fact that the company in its twelve-months' report establishes a surplus under the terms of the old contract, paying nothing to the city, and making no allowance for the dividend on the stock issue. But the new contract calls for certain allowances, and it may be assumed that the $500,000 to the city will stand as a liability until it is wiped out when higher fares produce a real "surplus." Thus the shareholders may conclude that the resumption of a dividend is still twelve months further deferred.

The longer term report shows gross earnings for the 17 months of $11,572,210, and operating expenses, taxes, etc., maintenance and renewals, amounting to $8,784,763, leaving a balance of $2,787,446. From this must be deducted certain "allowances" referred to before amounting to $3,343,142, leaving a deficit of $555,695, to which must be added $692,694, a rental due the city for the franchise at the rate of $500,000 a year, and contingent reserve of $115,722, leaving a total deficit or "debt balance" of $1,364,111. The items are as follows:

Gross earnings	$11,572,210
Oper. exps. and taxes	$ 6,640,715
Oper. profit	45,927
Maint. and renewals	2,098,120
	$ 8,784,763
Balance	2,787,446
Allowances due Co.—	
6 p.c. on capital	$ 3,018,224
6 p.c. on work. cap.	40,645
7 p.c. on additions	32,919
Exp. of financing	251,353
Debit balance	$ 555,695
Pay. when earned—	
City rental	692,694
Conting. reserve	115,722
Total dr. balance	$ 1,364,111

The balance sheet is more favorable. It shows property account standing at a net of $41,848,395, against $40,999,552 one year ago, a gain of nearly $850,000, new construction standing at $980,801, as compared with $1,966,677. To carry out this work debentures of $1,000,000 bearing 5 per cent. were sold during the year. Stores have increased from $814,440 to $1,004,972. Debentures now stand at $17,000,000, with first mortgage bonds $16,335,000 as last year. There is a new item "financing allowance," of $251,353, which is an allowance of ½ of 1 per cent. per year on the fixed physical assets of $36,286,295. The total assets have increased from $43,098,820 to $44,678,404.

In his report the president, E. A. Robert, estimated the wage increase that went into effect on July 1 last as $1,100,000 for the year.

ST. LAWRENCE FLOUR MILLS

Fair Amount of Milling But Little Export

There was a flurry in the stock of **St. Lawrence Flour Mills** this week that brought the stock to 113. The company has only a fair amount of wheat on hand to grind like the most of the mills, and so far there is little prospect of big export orders. The annual meeting has been fixed for October 10, and the annual statement is expected to show a good increase over last year.

ATLANTIC SUGAR $30,000,000 A YEAR

Enormous Production of Refineries—Big Profits on Purchase of Raws

By Resident Representative.

MONTREAL.—A semi-official announcement comes from the Atlantic Sugar Refineries of a recent purchase of 50,000 tons of raws at a price, that, based on present prices, would net them a profit of something like $1,000,000. These "profits" would accrue to the company gradually in the sale of refined sugar at current prices in case the "fixed" price is based on current market quotations. The most satisfactory point about the arrangement is that this step provides the company with a sufficient quantity of raw sugar to last well past next Spring.

THE FINANCIAL POST is informed that Atlantic Sugar Refineries at the present high scale of production is turning out sugar at the rate of $30,000,000 a year, or more than double last year's production. The profits for the year ending April 30, 1920, if this keeps up, would form a subject for some wild guesses, and was probably below the mark. There has been very active buying of "A C" this week following up over 6,000 shares last week, and the price on Thursday showed a gain of nearly 3 points over the low of the week.

FLOUR MILL OFFERING

Western Firm is Building 6,000 Barrel Mill in Alberta

Five thousand shares of stock in the Alberta Flour Mills, Ltd., is being offered in Winnipeg, this being Manitoba's quota of the total capitalization of $5,000,000. Alberta residents have already subscribed for $1,400,000 of this capital. No bonus or promotion stock is being given. The investment Registry of London, England, has underwritten the entire issue of the company's bonds. A strong directorate of practical men has been appointed, consisting of Geo. Lane, Calgary; A. E. Cross, president of the Calgary Brewing and Malting Co.; Edw. E. Stevens, late statistician to Dominion Economic and Development Commission; Col. J. S. Dennis, chief commissioner C.P.R. Natural Resources Dept.; D. E. Riley, of High River, Alberta; and Kingman N. Robins, treasurer of the Associated Mortgage Investors, of Rochester, N.Y. The company is constructing a 6,000 barrel flour mill at Calgary with a storage elevator having a capacity of 1,000,000 bushels.

CANADA CEMENT

The improvement in the market for Canada Cement common continued this week and the price moved as high as 72½, with most of the gain held. The preferred sold 100-101.

CANADIAN CAR

The market for Canadian Car common continued to advance during the week with a high mark or 47½, as compared with a level around 40 a couple of weeks ago. The preferred went as high as 103¾.

CANADIAN COTTONS

Canadian Cottons stocks have been strong recently, with the common up to 94 and the preferred at 85.

CANADIAN LOCOMOTIVES

Locomotive common has been prominent in the group of active industrials this week, moving up from 85 to 90 and then to 95.

UNLISTED SECURITIES

	Bid.	Ask.
Alta.-Pac. Grain, com	130.00	.....
Belding Paul, pfd	89.00	92.50
Black Lake bonds	34.00	36.00
Brand.-Henderson, com	50.00	55.00
Can. Fairbanks, pfd	88.00	92.00
Can. Machinery, com	21.50	25.00
Do., 6's	78.00	82.75
Can. Salt, 6's	95.00	.....
Can. Oil, com	44.00	49.00
Cockshutt Plow, pfd	80.00	85.00
Wm. Davies, 6's	99.00	102.00
Dom. Power, pfd	92.50	97.50
Eastern Car, 6's	91.75	95.00
Home Bank	95.00	97.50
Imperial Oil	405.00	438.00
Imperial Tobacco	5.00	.....
Lambton Golf	390.00	450.00
Loew's, Hamilton, pfd	83.00	86.00
Loew's, Montreal, pfd	75.00	82.00
Maritime Coal, com	5.00	11.00
Massey-Harris	110.00	120.00
Mex. North. Power, 5's	13.00	14.50
National Brick, com	10.00	13.50
Ont. Pulp, 6's	103.50	.....
South. Can. Power, com	24.00	26.00
Sterling Bank	100.00	107.00
Sterling Coal, 6's	72.50	76.00
Un. Cigar Stores, com	.50	.....
West. Grocers, pfd	76.00	.....
Do., com	33.00	35.00
Black Lake, com	4.50	6.00
Do., pref	14.50	16.00
Steel & Rad., com	15.00	20.00
West. Assurance	14.00	.....

BIG STEEL STRIKE AN UNSETTLING INFLUENCE HERE

Continued from page 1.

rods, wire, etc., will soon be closed down for want of material.

The Canadian steel man who takes a broad view of the situation will tell you that it is not going to help Canadian mills to have the United States concerns locked up in a desperate struggle such as is going on at present. No one part of an industry can flourish substantially while another on the same continent is being hurt. The same labor unions are involved in Pittsburgh as work in the mills here, at least they have affiliations that are well understood and recognized. Then again, there are certain lines, particularly plate, that must be brought into this country in large quantities if Canadian business is to carry on successfully. If these concerns cannot get plate, in many cases they will not be in a position to go ahead and use the other lines of steel that can be turned out in Canada.

The Extent of the Strike

The United States Steel Corporation at the beginning of this year had on its payroll 268,710 employees, and the total of salaries and wages paid during 1918 amounted to $452,663,524. The average daily wage of all employees, exclusive of the general administrative and selling force, was $5.33.

The number of plants under the control of the Corporation and through its subsidiaries is 145. The Carnegie Steel Company, with 32 works; the American Steel and Wire Company, with 35 works; the American Bridge Company, with 14, and the American Sheet and Tin Plate Company, with 26, are among the largest units of the Corporation.

Two Previous Strikes

Two great strikes have marked the history of the steel trade in the United States—the Homestead strike of 1892, in which the famous battle between strikers and Pinkerton detectives took place in Homestead, Pa., on July 6, and the strike of 1901, best known as the "tin plate" strike.

In the first instance the strike was against the Carnegie Steel Company, then an independent, but now a subsidiary of the United States Steel Corporation. H. C. Frick, who now assists in directing the fight of the Steel Corporation as a member of its finance committee, directed the Homestead strike as the lieutenant of Andrew Carnegie. He also figured as a director of the 1901 strike, and is the only man of prominence in the 1892 strike to figure in the present situation.

M. E. Tighe, who now heads the Amalgamated Association of Iron, Sheet and Tin Workers, helped, as assistant secretary, to direct the strike of 1901.

The causes, results and principal features of the two great strikes follows:

Homestead

Cause	Cut in wages
Duration	Five months
Result	Company victory
Number killed July 6	20
Number dead of wounds	15
Number injured	150

Cause of battle, attempt to put large number of Pinkertons into Homestead.

Estimated loss to strikers in wages	$2,000,000
Estimated loss to company	4,000,000

Tin Plate Strike

Cause—Full recognition of union in all plants; privileges of organizing everywhere.

Duration........ 60 days

Result—Company victory; loss of members and of control of plants by Amalgamated Association.

Estimated loss in wages	$26,730,000
Estimated loss in profits to company	9,000,000

ALABAMA POWER

Alabama Power Co., operating subsidiary, while continuing to show decreased gross, earned an increase of $796 in net for August, 1919. A decrease in comparative net earnings was first shown for April, 1919. Gross earnings also showed a decrease for that month following a steady falling off since November, 1918, the high point in earnings.

This decrease was due to the falling off of power consumption of war industries, including hydro-electric energy furnished to Government nitrate plants at Sheffield, Ala., following the signing of the armistice. Connections with prospective consumers were begun almost immediately, and the progress of this work is being reflected in the earnings.

Comparative earnings for August and 12 months ended August 31, are as follows:

	1919	1918	Changes	
August gross	$236,830	$269,049	Dec.	$32,219
Net after taxes	128,793	127,997	Inc.	796
12 mos. gross	3,115,280	2,673,162	Inc.	442,118
Net after taxes	1,695,506	1,514,684	Inc.	180,822

LONDON RAILWAY

It is thought that the negotiations for the purchase of the London street railway by the city will be concluded next week. The president of the company, Charles Currie, of Akron, Ohio, has offered to sell the line on a basis of $50 for every share of $40 par value, but the mayor of the city is endeavoring to have this amount reduced.

Learning "as He Goes Along"

Seldom does it happen that an estate consists only of the kind of property familiar to the personal executor who takes it in hand.

Usually there is some property about which he is inexperienced. Often there is a great deal.

This means that the executor learns, so far as this property is concerned, by experience "as he goes along"—and often at the expense of the estate. Such an education is expensive for the beneficiaries.

Where this Company acts as executor the reverse is true. Wide experience has taught its officers how to treat property problems without unnecessary expense or delay.

Write for our booklets.

National Trust Company
Limited
Capital Paid-up, $1,500,000 Reserve, $1,600,000
323 Main Street, Winnipeg

Ready Cash
WHEN MOST NEEDED

The loss of a partner or an important member in your firm may be a serious matter. It may affect the credit and the progress of your business.

The ready cash coming at such a time from a Canada Life Commercial Protection Policy will settle the problems that will arise without sacrifice to anyone.

Full particulars will be sent without obligation on your part.

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REQUIRE NO SWITCHBOARD OR OPERATOR
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TELEPHONE MFG. CO.,
10 FRONT ST. TORONTO

Restoring Our Reserve Plant

A telephone system to be normal and healthy must have a big percentage of its plant in reserve.

There must be spare positions on switchboards, spare cables in underground conduits, spare wires in underground and aerial cables, spare pins on cross-arms.

During the war, through scarcity of material and skilled labor, our reserve plant was depleted as never before. Even necessary maintenance and repair work had to be postponed. Delays in installations were inevitable.

The present problem is to get our reserve plant back where it should be and to overtake vital maintenance and repairs. This must be done while meeting pressing demands for new telephones. These in turn call for new buildings, new switchboards, new conduit, aerial and underground cable, new local and long distance lines.

Our outlay for the year will be upwards of $7,000,000.

We are striving to keep our service up to the best pre-war standard, while at the same time meeting the demands of this busy reconstruction period.

Telephone workers, loyal and faithful as they are, appreciate the courtesy and kindly co-operation of our subscribers, who can help greatly by making sure of the number by consulting the directory before calling; by speaking distinctly directly into the mouthpiece, and by always answering promptly when the telephone bell rings.

THE BELL TELEPHONE COMPANY OF CANADA

DIVIDEND NOTICES

Western Grocers Limited

DIVIDEND NOTICE

NOTICE is hereby given that quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the preference stock of Western Grocers Limited, payable on the 15th day of October, 1919, to shareholders of record at the close of business on the 30th day of September, 1919.

By Order of the Board.

H. C. COWDRY,
Secretary.

Winnipeg, Man., September 16, 1919.

Abitibi Power & Paper Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of nineteen and one-quarter per cent. (19¼%), being the balance of the accrued dividends, amounting to $192,500, has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the first day of October, 1919, to Shareholders of record the 28th day of September, 1919.

By Order of the Board.

L. R. WILSON,
Secretary.

Abitibi Power & Paper Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Common Stock of the Abitibi Power & Paper Company, Limited, payable the first day of October, 1919, to Shareholders of record the 28th day of September, 1919.

By Order of the Board.

L. R. WILSON,
Secretary.

Abitibi Power & Paper Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the first day of October, 1919, to Shareholders of record the 28th day of September, 1919.

By Order of the Board.

L. R. WILSON,
Secretary.

Provincial Paper Mills Co. LIMITED

NOTICE IS HEREBY GIVEN that dividends of one and three-quarters per cent. (1¾%) on the Preferred Stock, and one per cent. (1%) on the Common Stock of this Company, have been declared for the current quarter, both payable October 1st, 1919, to shareholders of record at the close of business September 15th, 1919.

S. F. DUNCAN,
Secretary-Treasurer.

Dated, Toronto, Sept. 5th, 1919.

The Bank of Nova Scotia

Dividend No. 199

NOTICE is hereby given that a dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending September 30th and that the same will be payable on and after Wednesday, the first day of October next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., August 15th, 1919.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following dividends have been declared this day for the quarter ending October 31st, 1919, One and one-half per cent. (1½%) on the Preferred Stock, payable on the 1st day of November, to shareholders of record of the 21st day of October, 1919, and One and three-quarters per cent. (1¾%) on the Common Stock, payable on the 15th day of November, to shareholders of record of the 5th day of November, 1919.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Sept. 15th, 1919.

NOVA SCOTIA STEEL & COAL CO., LTD.

DIVIDEND NOTICE

A DIVIDEND of two per cent. (2%) on the Preferred Stock and one and one-quarter per cent. (1¼%) on the Ordinary Stock of the Company for quarter ending September 30th, 1919, has been declared payable on the 15th of October, 1919, to shareholders of record at the close of business on September 30th, 1919.

By Order of the Board.

THOMAS GREEN,
Cashier.

New Glasgow, Nova Scotia,
September 20th, 1919.

The Molsons Bank

156th DIVIDEND.

THE Shareholders of The Molsons Bank are hereby notified that a Dividend of THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the capital stock has been declared for the current quarter, and that the same will be payable at the office of the Bank in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT

to Shareholders of record on 15th September, 1919.

THE ANNUAL GENERAL MEETING

of the Shareholders of the Bank will be held at its banking house, in this City, on MONDAY, the 3rd of NOVEMBER next, at three o'clock in the afternoon.

By Order of the Board.

EDWARD C. PRATT,
General Manager.

Montreal, 26th August, 1919.

Hollinger Consolidated Gold Mines Ltd.

(No Personal Liability)

DIVIDEND NO. 68

A DIVIDEND of 1% upon the outstanding capital stock has been declared payable 7th October, 1919, on which date cheques will be mailed to shareholders of record at the close of business on 27th September, 1919.

D. A. DUNLAP,
Treasurer.

Dated September 20th, 1919.

International Petroleum Company, Limited

NOTICE OF DIVIDEND NO. 4

Notice is hereby given that a dividend of 50c per share has been declared by the Directors of the International Petroleum Co., Ltd., and that the same will be payable on or after the 1st day of October, 1919, in respect of the shares specified in any Bearer Share Warrants of the Company upon presentation and delivery of coupons No. 4 attached to the said Bearer Shares Warrants at the following Banks:

The Royal Bank of Canada, 60 Church St., Toronto, Canada.

The Farmers Loan & Trust Co., 16-22 William St., New York, N.Y.

The Farmers Loan & Trust Co., Ltd., 26 Old Broad St., London, England.

Or the offices of the International Petroleum Co., Ltd., 56 Church St., Toronto, Canada.

The payment to shareholders of record whose shares are fully paid-up at the close of business on the 30th day of September, 1919, and whose shares are represented by Registered Certificates will be made by cheque, mailed from the offices of the Company on the 30th day of September, 1919.

By Order of the Board.

J. R. CLARKE,
Secretary.

56 Church Street, Toronto, Canada.
19th September, 1919.

The Porto Rico Railways Company, Limited

NOTICE IS HEREBY GIVEN THAT a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of this Company, payable on the 1st day of October, 1919, to shareholders of record at the close of business on the 20th day of September, 1919.

By order.

T. A. SPOOR,
Secretary.

CANADIAN WOOLLENS, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of Canadian Woollens, Limited, for the period ending the 30th day of September, 1919, payable Wednesday, the 1st day of October, 1919, to shareholders of record at the close of business Saturday, the 20th day of September, 1919.

By order of the Board.

WILLIAM TINKER,
Secretary.

Peterborough, Sept. 15th, 1919.

Central Canada Loan & Savings Company

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of TWO AND ONE-HALF PER CENT. (2½%) for three months ending September 30th, 1919, at the rate of TEN PER CENT. (10%) per annum, has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Wednesday, the 1st day of October, 1919.

The Transfer Books will be closed from the 19th to the 30th of September, both days inclusive.

By order of the Board.

E. R. WOOD, President.

Dominion Textile Co., Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th SEPTEMBER, 1919, payable OCTOBER 15th to shareholders of record SEPTEMBER 30th, 1919.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 22nd September, 1919.

ABITIBI WIPES OUT ARREARS AND STARTS COMMON

Deferred Payments in Cash of $192,500; 6% on Common

STEADILY STRONGER

Earnings of 1918 Will Be Far Surpassed—Big Jump in Common of 73 Points This Year

One of the most inspiring influences that could have been exerted on the market at this time was the action of the directors of the Abitibi Power and Paper Company on Tuesday in wiping out the arrears of dividends on the preferred stock of the company, amounting to 19¼ per cent., and in declaring at the same time an initial dividend of 6 per cent. on the common stock. The preferred stock is comparatively small, amounting to only $1,000,000, so that the arrears called for merely $192,500, while the 6 per cent. liability for the common stock will amount to $300,000 for the current year. While it was generally expected that the arrears would be taken care of some time soon, this date was hardly expected, nor was it imagined by outsiders that the common stock would benefit simultaneously with the action on the arrears. The declaration couples with it the regular dividend of 1¾ per cent. on the preferred, a total, therefore, of 21 per cent., payable on October 1 to shareholders of record September 27.

Financial Position Warrants Action

This double proof of the strong financial position of the company indicates that the encouraging showing made at the time of the annual meeting in April last has been improved in the interval, and all reports bear this out. At that time THE FINANCIAL POST pointed out that the company could wipe out the deferred arrears out of surplus and still have nearly $900,000 remaining. It was stated further that, allowing for this, and deducting one year's dividend on the preferred, the balance would permit of a dividend of over 8 per cent. on the common. Add to this the fact that the earnings for 1918 which showed an increase over 1917 of over $300,000 net, are running far ahead even of this increase for 1919 compared with 1918, and the action of the directors need cause no misapprehension on the part of the shareholders. The company is in a position to do what it has done and to come out at the end of the current year in an even stronger position so far as the net surplus is concerned than last year; such is the information that reaches THE FINANCIAL POST.

For at the present time the company is producing newsprint to the extent of some 70,000 tons a year, and its groundwood and sulphite pulp production is finding markets more readily than for some time, while there are prospects that new newsprint machines will be installed, which in time to come will be by far the biggest end of this company's operations. Engineers say that the timber limits in extent and accessibility are among the most valuable in Canada, and thus there would appear to be a very bright future before the company.

Preferred Started April, 1916

The deferred dividends date back to before April, 1916, for at that time the company began paying on the preferred in spite of the fact that development work in connection with all the mills was not nearly completed. Last year there was a surplus of $511,262 after meeting the current dividend payments on the preferred, which would have permitted the wiping out of the arrears and the payment in addition of nearly 5 per cent. on the common. Thus the action taken this week by the directors is only that which could have been taken from the record at the close of last year, and since then the financial position has been improved by the addition of earnings from several months, especially the later ones, which stood well ahead in net earnings of last year's corresponding period.

The Stock Exchange record of Abitibi is referred to elsewhere in this issue, covering several years. The preferred has been over par for some time and a couple of weeks ago sold at 108. Before the announcement it rose to 112, and on Wednesday afterwards there was a sale at 115. It was the common, however, that has made by far the most spectacular movement, rising to 121, and, after the dividend was declared, falling to 115 and moving rapidly up to 120 again on the first of the year, and for some time later it was selling at the "fixed" price of 48.

The Canadian Crocker-Wheeler Co LIMITED

DIVIDEND NOTICE

THE Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-quarters per cent. (1¾%) dividend on the Preferred Stock of the Company for the three months ending September 30th, 1919, to shareholders of record September 20th, 1919. Also a dividend of One and Three-quarters per cent. (1¾%) on the Common Stock of the Company for the three months ending September 30th, 1919, to shareholders of record September 20th, 1919.

The stock books will be closed from the 20th to the 30th of September, both days inclusive.

Checks will be mailed to shareholders on September 30th, 1919.

By Order of the Board.

H. C. HOWELL,
For Secretary-Treasurer.

St. Catharines, Sept. 5th, 1919.

Canadian Cottons, Limited

NOTICE is hereby given that a quarterly dividend of one and a half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of October, 1919, to shareholders of record the 26th September.

Also that a quarterly dividend of one and one-half per cent. (1½%) has been declared on the Common Shares of this Company, payable the 4th day of October, 1919, to shareholders of record the 26th September.

By Order of the Board.

A. BRUCE,
Secretary-Treasurer.

Montreal, September 19, 1919.

CANADA CEMENT COMPANY, LIMITED

ORDINARY SHAREHOLDERS

DIVIDEND NO. 14.

NOTICE IS HEREBY GIVEN that a dividend of 1½% for the three months ending September 30th, 1919, being at the rate of 6% per annum on the paid up Ordinary Stock of this Company has been declared, and that the same will be paid on the 16th day of October next, to Ordinary Shareholders of record at the close of business September 30th, 1919.

H. L. DOBLE,
Secretary.

Montreal, September 22nd, 1919.

B. C. PACKERS ARE HAVING GOOD YEAR

Pack Has Been Big With Exception of Sockeye and Good Prices Prevail

For some years past while the fisheries of British Columbia were producing heavily, there has always been the danger of the gradual depletion of this great resource. In the last couple of years this danger has been brought prominently to the fore in the practical failure of the sockeye pack once the great factor of the British Columbia canning business. With the consummation of the treaty providing for protective measures, the critical nature of this danger has been passed. The protection afforded assures the continuance of this industry, and therefore, puts it on a far better footing. While the sockeye pack this year is merely nominal in the Fraser River section, it is known that if the balance of the season comes up to the level of the pack already made, there will be a record showing for the year. While costs have materially increased, the better prices paid for fish have stimulated the fishing industry, and the canneries will have to work to the limit to take care of the fish offering. Under ordinary conditions the costs of production might have been a serious factor, but present conditions indicate a demand that will take care of the pack even at the present high prices. As a result, therefore, there is a far better feeling in the sales of the stock of the British Columbia Packers' Association. This feeling has been encouraged by the change in the stock from a 5 to a 6 per cent. basis, which at the present price gives the stock a very satisfactory yield. There was only an average sale during the week, at figures ranging from 61 to 62.

WESTERN NATURAL GAS.

Net earnings of the Canadian Western Natural Gas Light, Heat and Power Company, for the month of July totalled $35,739 as compared with $37,235 for the same month in the previous year, a decrease of $1,496, while the aggregate earnings from October 1, 1918, to the end of July amounted to $971,182 against $962,959, an increase of $8,223.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports gross earnings for the second week of September amounting to $36,790 as compared with $33,353 for the corresponding period in 1918, an increase of $3,437 or 10.3 per cent. For the year to date the earnings were $1,341,575, an increase of $151,022 or 12.7 per cent.

TORONTO RAILWAY.

The July statement of earnings of the Toronto Railway Company and its subsidiary companies shows gross amounting to $977,262, as compared with $1,049,936 for the same month in 1918. The decrease is $72,674. Operating expenses amounting to $695,027 shows an increase of $105,063, while net earnings at $282,235 compares with $459,972, a decrease of $177,737.

The aggregate gross earnings for the first seven months of the year totalled $7,110,558, a decrease of $295,547, and the aggregate net earnings at $2,772,235, showed a falling off of $588,493.

FIFTEEN MILLION CAPITAL FOR NEW LOCOMOTIVE FIRM

Company Being Organized in Toronto to Manufacture Electric Traction Motors

AMERICAN CAPITAL IN

Possibility of Public Offering of Stock, Control of Which Will Remain in Canada

Plans are being discussed in Toronto for the incorporation, with a capital of $15,000,000, of a concern to manufacture locomotives and engines. Already a number of Canadian and American investors have expressed their willingness to subscribe for stock in the new concern, and the representative of a group of New York financiers visited Toronto this week in connection with the proposed corporation.

The development of the Hydro-Radial projects throughout the Province led to the promotion of the company, according to W. P. Young, of Toronto, who is attending to the details of incorporation. It is expected that with the construction of the proposed radial lines between Toronto and London, in the Niagara, Hamilton and St. Thomas districts, and between Toronto and Bowmanville there will be a demand for electric traction motors. At present none of these are built in Canada, and all the electric locomotives used on street railway lines and interurban lines in Canada are imported from the United States. The new company, if the incorporation is consummated, will specialize at first on a locomotive of the type now used on the London and Port Stanley radial. Later street cars will probably be manufactured, as well as electric engines of other types. The plant will be equipped for the manufacture of steam locomotives also if the development of Canadian railroads makes this business sufficiently profitable.

Factory Being Sought

At the present the local promoters of the scheme are looking for a suitable plant for the manufacture of their products, but if a properly equipped factory can not be found, a new factory will be erected at a cost of $3,000,000, probably in the Harbor Commission's Industrial Area.

The majority of the stock will be held in Canada, but until a general meeting of the promoters is held early next week, the proportion of capital to be subscribed by Canadian and American interests will not be definitely known. There will probably be a public offering of stock.

It is known that the proposed company will seek some sort of affiliation with the Baldwin Locomotive Works of Philadelphia, but no final arrangements have been made with the latter corporation. The Baldwin company is capitalized at $40,000,000 and manufactures about 3,000 locomotives yearly.

STEEL OF CANADA

Workers' Request for Board of Conciliation Refused

The joint application of the steam, stationary and operating engineers and electrical workers, employees of the Steel of Canada, for a board of arbitration has been refused by the Minister of Labor. The members of these unions had requested more pay, recognition of the union and time and one-half for overtime. What the outcome will be is still in doubt. Steel of Canada common has remained at practically the same figure during the week, with only a fair amount selling. Preferred has receded slightly, a fair amount having been sold recently around 48.

WINNIPEG ELECTRIC

Gross earnings of the Winnipeg Electric Railway Company for the month of July totalled $337,978, against $288,155 for the same month in 1918, an increase of $49,823. Operating expenses were higher by $64,560, the total for the month being $283,014, while net earnings amounting to $54,964 showed a decrease of $14,737.

The aggregate gross earnings for the seven months ending with July amounted to $2,212,618, an increase of $113,125, and the aggregate net for the seven months at $471,117, showed a falling off of $24,629.

NOVA SCOTIA STEEL & COAL

One sale of a small block of Scotia common made it apparent that 75 is still a fair quotation for this holding. The regular quarterly dividend of 1½ per cent. and 2 per cent. on preferred have been declared payable October 15 to stock of record September 30. There is to be a meeting of directors in about three weeks' time, and it is expected that matters concerning the future of the operations will be discussed then.

DOMINION STEEL CORPORATION

No word has yet come, in an official way, as to when work will be resumed at the plant at Sydney, although the management intimate that a scarcity of business still exists. Various rumors of resignations and changes in the organization are plentiful, but are as promptly denied as they are put afloat. The price of common has varied little, last sales being at 69.

200% Profit

During the past eleven years clients following the Babson Long Swing Method of Speculation have made a profit of over 200%, or *about 20% a year.* These figures represent an average *of all recommendations* including disappointments.

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Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED £7,500,000

Paid-up Capital, £2,500,000
Res. Fd. £2,570,000 Together £5,070,000
Res. Liab. of Proprietors....£5,000,000
Total Capital and Reserve £10,070,000

Head Office: 71 Cornhill, London, E.C. 3
The Bank Has 181 Branches, viz:

In Victoria 41
In New South Wales...... 39
In Queensland 19
In South Australia 14
In Western Australia 21
In Tasmania 3
And in NEW ZEALAND.. 44

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Capital and Surplus......$11,672,509.77
Investments $31,461,387.24
Established 1855.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelters for the first week of September amounted to 6,610 tons, of which the Sullivan Mines contributed 2,720 tons and the Centre Star 1,687 tons. From October 1 to September 7, the ore receipts totalled 309,030 tons.

NORTHERN FIELDS CLAIMED WORLD'S FINEST OIL AREAS

Many Different Interests at Work Drilling Throughout Entire District

SHELL CO.'S SCHEME

Offered to Develop 250,000 Square Miles in Exchange For Monopoly, But Were Refused

Oil men returning from the Peace River and Athabaska districts of Northern Alberta state with all confidence that the greatest oil area in the world is in Canada's Northwest. There are already dozens of crews at work throughout all Northern Alberta drilling for oil. None of the drilling is real development work; some of it is being done by Alberta Government geologists, who are plotting out the oil fields; the Standard Oil Company is working on its own account, finding the most productive area, and numerous minor organizations are investigating the country with a view to investment where the oil seems to have the best paying possibilities. There has been no "wild-catting"; the collapse of the Calgary oil boom is still remembered in the West and the development of the northern fields has so far been spared the feverish speculation that the Southern Alberta oil fields suffered.

The two largest interests in the area are the Standard Oil Company and the Shell Oil people of England. At present the Shell people seem undecided as to their future plans, owing to the failure of their scheme to get a monopoly of the oil fields. The company made a proposal to the Dominion Government to take a grant of 250,000 square miles of territory in Northern Canada and agreed to pay the Government 30 per cent. of the profits on the oil struck, and to keep 25,000 square miles of the land after five years of drilling. Their offer was refused; they wanted to choose the 25,000 acres themselves. In other words they were willing to develop the lands if after five years they could hand back the unproductive lands and keep for their trouble the area that has been called the richest spot in the British Empire.

Standard Oil Plans

The Standard Oil Company has been working quietly, but extensively. They have twelve crews at work, stretched for 1,000 miles from Southern Alberta to the Mackenzie River. Half a million dollars will be spent by the Standard Oil this winter, and Westerners are wondering what the company will do with the oil it strikes. Will they really develop the country, or merely cap the wells and pay their yearly taxes to the Government in order to hold the oil until their American and Mexican fields begin to run dry?

Probably one reason that the Western oil fields are not attracting the attention they should attract is that they are not by any means a new discovery. One hundred years ago they were discovered by Sir John Franklin, who marked out the petroleum and slag mineral patches on a map, that is still in existence. Forty years ago Dominion Government geological survey maps referred to "tar sands, 100 feet thick," at Pierre au Calumet, where drilling is now going on.

NANOOSE COLLIERIES

The Nanoose Collieries Company, of Nanaimo, have disposed of their interests to the Nanoose-Wellington Coal Company, which is controlled by American capital. The company's properties comprise 1,200 acres of coal lands on Vancouver Island, part of it, however, in the submarine area. The new company intends to spend $100,000 on construction work, which will increase the mine's capacity to 500 tons a day.

MINING STOCK QUOTATIONS

Week Ending Sept. 24.

	High.	Low.	Close.	Sales.
Adanac	12¾	11	12¾	60,100
Atlas	24½	23¾	23¾	7,850
Bailey	4½	4½	4½	1,000
Beaver	41	40	41	2,000
Boston Creek.	28½	25	28½	5,900
Crown Reserve	40	38¼	38¼	6,500
Dome Exten...	33½	31	33	18,500
Dome Lake ..	15	13¾	14	7,200
Dome Mines..	14.00	..	..	487
Foster	5	..	..	500
Gt. Northern..	4¼	3⅞	4	12,000
Hargraves ...	2¾	..	..	6,500
Hollinger	6.75	6.71	6.75	2,629
Keora	19	18	18¾	6,450
Kirkland Lake	39½	..	..	500
La Rose	40½	38	40	6,945
McKinley Dar.	66	65	65½	3,700
McIntyre	2.07	1.97	1.99	21,515
Moneta	13	11½	13	2,300
Nipissing	11.70	11.35	11.35	895
Ophir	6	5	6	72,400
Peterson Lake	12¼	..	..	3,500
Porc. Crown...	31	28	28	14,563
Porc. Tisdale.	2⅜	2	2⅜	2,300
Schumacher ..	24½	23¾	24	6,550
Teck-Hughes .	21	19	21	17,700
Timiskaming..	42½	41	42	29,050
Trethewey ...	35	33½	34	31,900
V. N. T.	22¼	21	21¼	7,400
Wasapika	97	94	95	29,080
Gifford	2	1⅝	2	8,000
Lake Shore ..	1.08	1.06	1.06	4,300
Davidson	67½	64½	64½	9,000
Mining Corp..	1.75	..	..	100
West Dome ..	11	10¾	10¾	2,000

DAWSON GOLD OUTPUT

Total of Placer Camps Expected to be $5,250,000

It is estimated that the total gold output of the placer camps of the Yukon territory and of Alaska will be $5,250,000 this year. An estimate made by Volney Richardson, superintendent of the Northern Commercial Company, gives the total output of placer gold at the various mining centres in the district as follows: Dawson, $2,000,000; Fairbanks, $800,000; Iditarod, $750,000; Talovana, $700,000; Kuskokwim, $250,000; Circle, $225,000; Ruby, $125,000; Kuyukuk, $100,000; Marshall, $75,000; Hot Springs, $60,000; Ophir, $50,000; Rampart, $25,000; Chandlar, $20,000.

TIMISKAMING

Timiskaming was very popular on the Toronto mining exchange this week, following a rumor from the North that the directors will shortly resume the old dividend rate of 12 per cent. Considerable quantities of good paying ore have been turned up of late, it is said.

ALLIED GOLD MINES

Development work has gone on so rapidly at the Allied Gold Mines, next to the Miller Independence property at Boston Creek, that work underground is expected to get under way about the first of the new year. One of the latest discoveries reported during the drilling was at a depth of about 900 feet, where visible gold was found in the core.

BRITANNIA MINING

The mine and plant of the Britannia Mining Company, Howe Sound, are working to capacity, and the production records are the highest in the history of the company. The mill is treating about 2,500 tons a day and producing about 2,000,000 pounds of copper per month. The Britannia mine has now four levels extended through Britannia Mountain, connecting with the Empress group. During the past year new developments aggregated 24,595 feet. Diamond drilling was done to the extent of 26,682 feet.

WEEK OF GOOD NEWS FOR MINING MARKET

Silver Reaches New High—Adanac Reports Good Find and Strike Seems Over

The mining market in Toronto has experienced a week of good news, and gains of a few points were noted in almost every issue. First came the new jump in silver, the price going to $1.18⅝ in New York, and 63⅝d. in London, the highest price recorded on the British market since 1859. Another factor in the situation was the encouraging news from Kirkland Lake. When the early returns of the miners' vote came in, it was generally conceded that the long strike, which has lasted since June 23, was over, and it is expected that the men will be back at work next week.

The official announcement on Wednesday that a new vein recently opened up in Adanac showed a silver content of 112 ounces to the ton led to a great deal of speculation in that stock on Thursday. If the recent find continues promising Adanac will probably be a popular issue for some time.

The high silver prices led to some interest in the mines that have been unprofitable in the past on account of their low grade ores. A well-defined rumor that Nipissing mines had renewed the option on the Ophir property that expired a short while ago, sent Ophir up to 6 cents, a gain of about one cent, on Wednesday, and when semi-official confirmation of the news came the price remained steady at that.

Stock Movements of the Week

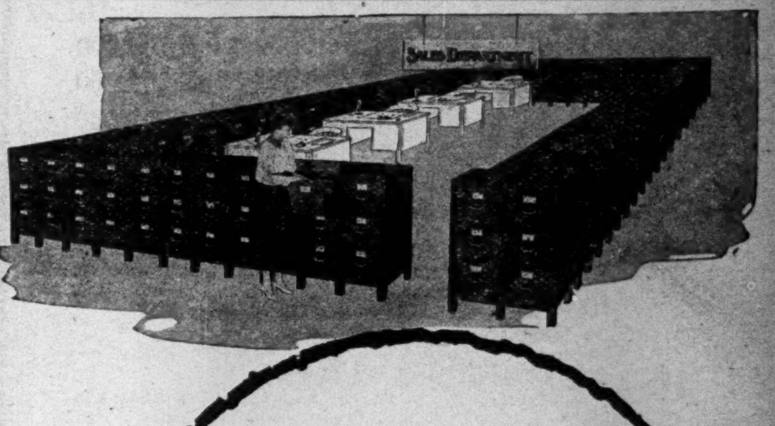
Week ending Sept. 25, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to Sept. 18
Banks—							
Commerce	199	...	199	197¼	199	60	6.03
Dominion	203	202	202½	202	202½	39	5.82
Imperial	199½	199	200	199¼	199½	43	6.00
Merchants	195	...	194	193	194	60	5.67
Montreal	211	210	211	210	210½	129	5.71
Nationale	...	160	160	160	160	50	5.69
Royal	215¾	214¾	216	214½	214¾	531	5.60
Standard	215½	...	215	215	215	32	6.10
Toronto	197	195	197	196	197	80	6.15
Transportation—							
Barcelona	9⅞	9½	10	9¾	9¾	65	....
Brazilian	52	51¾	51¾	50	51¾	1775	....
Can. Steamships, com.	64	63½	65	61¾	64⅛	4278	6.45
Do., pref.	85⅛	84¾	85½	84	85	2389	8.33
Detroit United	100½	99¼	100	99½	99½	145	8.00
Duluth-Superior	...	31	31	31	31	41	7.14
Montreal Tramways..	...	...	115	115	115	2	8.69
Quebec Railway	20	19¾	20½	17¾	19¾	2580	....
Toronto Railway	43	41	41	40	40	40	....
Twin City	45	44	44	44	44	35	....
Winnipeg Electric ...	40	...	40	40	40	25	....
Telegraph, Light, Power—							
Bell Telephone	120½	118½	120	119	120	45	6.66
Mackay, com.	81	80½	81½	79⅜	81	1004	7.59
Do., pref.	67½	67	67½	66	67½	70	6.06
Mont. L., H. & P.....	91⅝	91½	91¾	91¼	91½	1634	5.43
Shawinigan	123	121½	122	121½	121½	716	5.73
Industrials—							
Abitibi P. and P., com.	119	...	121	94	119	880	7.52
Ames-Holden, com...	79	78¾	79½	73	79½	10881	....
Do., pref.	107½	107¼	108½	104½	107	2524	6.66
B. C. Fish, com......	62	61	62	61	61	90	8.06
Brompton P. & P., co.	64¾	64½	65	62	64¾	5951	8.19
F. N. Burt, com......	100	98¼	100¼	100	100¼	200	8.16
Do., pref.	...	98½	100	99½	100	35	7.14
Canada Bread, com...	25	24½	26	22¾	25	3940	....
Do., pref.	79	78¾	80	78¾	78¾	295	8.86
Canadian Car, com...	47	46½	47½	42	46¾	7273	....
Do., pref.	103½	102½	103¾	101	103	1265	6.93
Canada Cement, com.	72¼	72	73½	70	72¼	5491	8.69
Do., pref.	101	100	101	100	100	213	7.00
Can. Converters	66¼	66	67	67	67	10	7.46
Can. Cottons, com....	94	93¾	94	92	93⅞	1035	6.52
Do., pref.	...	85	85	84½	85	60	7.22
Can. Fdrs. & Forg., c.	...	...	195	193	193	27	6.09
Can. Locomotive, c...	95½	94½	95	86	94½	550	7.05
Do., pref.	...	...	94	94	94	10	7.60
Can. Gen. Elec., com.	107	106	107	105½	106	175	7.47
City Dairy, com.	60	...	60	55	58	26	....
Dominion Bridge ...	103	102	103	102	103	315	7.84
Dom. Canners, com...	57	56¾	57¼	52	57	2820	....
Do., pref.	...	83¾	85	85	85	10	7.69
Dom. Steel Corp.....	69	68⅝	69¾	67	69	5860	8.69
Dom. Iron & Steel, pf.	...	...	98	91	97¼	38	7.21
Dominion Coal, pfd..	...	98	98	98	98	5	7.14
Dom. Textile, com....	122	121¼	121½	119¼	121½	615	6.66
Goodwins, pref.	...	71	75	75	75	10	....
Lake of Woods, com..	...	...	201½	201	201	180	6.00
Laurentide	224	223¼	223½	219	223½	920	5.38
Lyall Con., com......	85	84¼	84	84	84	105	9.63
A. Macdonald, com...	36	35⅞	36	33¾	36	2040	....
Maple Leaf Mill., com.	199	198	199	195	199	100	6.09
Do., pref.	106	105¾	106	105½	106	94	6.60
Montreal Cottons, c..	73½	...	73½	71	73½	852	7.14
Do., pref.	...	101	100½	100½	100½	1	6.86
Monarch Knitting, pfd.	90	...	90	90	90	5	7.77
Nat. Steel Car, com..	11	10	10	10	10	50	....
Do., pref.	...	46	46	42	46	105	....
Nova Scotia Steel, c..	...	...	75	75	75	3	6.66
Do., pref.	...	...	105	105	105	5	7.54
Ogilvie Flour, com...	246	...	261	242	242	247	4.63
Ont. Stock Prod., c..	38	...	38	35	38	310	....
Penmans, com.	...	108	110	99	107	656	6.06
Do., pref.	...	...	93	93	93	10	6.38
Riordon P. & P., com.	141	140½	141¼	140	141	845	7.04
Do., pref.	...	94½	96	96	96	45	7.29
W. A. Rogers, com...	...	61	61½	61½	61½	50	....
Do., pref.	...	85	85	85	85	3	....
Russell Motor, pref..	90	89⅞	88	87	87	50	7.95
Saw.-Massey, pref....	57	...	56	56	56	25	....
Sherwin-Williams, c...	...	...	72	72	72	1	....
Smith Paper Mills, c..	...	...	94	93	94	35	....
Span. River Pulp. c..	49¾	49	50	46½	49¾	3414	....
Do., pref.	113	...	113	111	112	1394	....
Steel Co. of Can., com.	69½	69	69½	68	69½	1125	8.69
Do., pref.	...	98½	99½	98	98½	217	7.14
St. Law. Flour, com..	110	108	110	108	108	100	5.40
Do., pref.	...	...	91¾	91¾	91¾	8	7.60
Tooke Bros., com.....	64	63	66	57	64	3788	....
Do., pref.	92	91	92¼	90	91	1025	8.04
Toronto Paper	90	87	90	82	90	140	7.59
Tuckett Tobacco, com.	54	53	55	46	54	5800	....
Do., pref.	92	91	91	91	91	58	7.77
Wabasso Cotton	107½	107	107	103½	107	515	5.76
Wayagamack, com. ..	...	64½	66	64¼	64¾	975	....
Woods Mfg., pref...	...	86	85	85	85	10	8.13
Atlantic Sugar, com..	62	61½	62	57½	61	14575	....
Do., pref.	...	114¼	115	111	114½	563	....
Asbestos Corp., com..	75	74⅞	74¾	74½	74½	395	6.84
Do., pref.	84	...	84	83⅞	83⅞	127	7.22
Crow's Nest Coal....	49½	...	49½	49½	49½	15	....
Dom. Glass, com.....	63¾	63	64	61	63¾	1780	....
Do., pref.	...	...	93	93	93	10	....
Nat. Breweries, com..	182	181⅞	182½	169	181⅝	3255	....
North Amer. Pulp....	...	...	5¼	4¾	5	980	....

PICCADILLY
LONDON
Smoking Mixture

THE FINEST QUALITY PIPE TOBACCO,
THIRTY CENTS PER PACKAGE

GEO. MERSON & COMPANY
CHARTERED ACCOUNTANTS
INDUSTRIAL ORGANISATION AND RECONSTRUCTION
LUMSDEN BUILDING
TORONTO



Consider Them As an Investment

Consider these new "Office Specialty" Counter Height Filing Sections in the light of an investment that pays you real dividends in actual money saved.

In the first place "Office Specialty" Counter Height Filing Sections serve all the purposes of high-grade filing cabinets. And in addition they combine the function of an office counter. That's where your first dividend comes in—you save, in first cost, the price of a counter.

On top of this there's your dollar-and-cents saving represented by the floor space conserved. And at the prevailing rate of rentals this saving means quite a respectable figure on your bank balance.

COUNTER HEIGHT SECTIONS

If this were all the service these Counter Height Filing Sections performed you would even then be getting double value for your money.

But they do more.

They act as department divisions in an office when stacked together as shown in the illustration.

Any record in his department is available to the executive in half the time it would take the filing clerk to walk to the filing room.

So besides the known savings they effect in space—and consequently money—they enable your clerks to get papers and records for you quickly—they save your time and the time and energy of your staff.

Tell your stenographer to type a memo today for descriptive folder "The Conservation of Space in Your Office." It's free.

THE OFFICE SPECIALTY MFG. CO., LIMITED
Home Office and Factories NEWMARKET Canada
Export Office 360 Broadway, New York City.

Filing Equipment Stores at:
Toronto Montreal Ottawa Halifax Hamilton Winnipeg Regina
Edmonton Calgary Vancouver

957

Lower illustration shows battery of Counter Height Filing Sections in the office of the Western Assurance Co., Toronto. These filing sections hold a large proportion of the thousands of records in daily use by this Company. Any clerk in the department can get the record he wants in a few minutes. Figure what the executives and employees of this Company save in time and steps every year, to say nothing of the saving in space.

OFFICE SPECIALTY
LABOR SAVING OFFICE DEVICES
TIME IS MONEY
FILING SYSTEMS

McKINLEY-DARRAGH

McKinley-Darragh-Savage Mines, of Cobalt, semi-officially reports that the average cost of producing silver up to the strike this year has been under 60 cents an ounce. In 1918 it was 68 cents. Combined with the increased prices obtainable for silver, the reduction in production costs has enabled the company to make the largest profits in several years, and profits for the four months preceding the strike were sufficient to meet the entire year's dividend requirements.

According to a dispatch to the New York Sun, Lloyd's Register shows that of 43 German liners of upward of 10,000 tons gross, the United States received 25, England six, Italy two, Brazil one, and nine unallotted.

REAL BANKING SERVICE

All branches of this Bank are in a position to give the most comprehensive Banking service.

Government and Municipal Securities are dealt in. Foreign Exchange bought and sold. Money Orders and Letters of Credit issued. Collections made on all points in Canada or overseas. 208

IMPERIAL BANK
OF CANADA
152 BRANCHES IN CANADA.

Agents in Great Britain: ENGLAND—LLOYDS BANK LIMITED, London and Branches. SCOTLAND—THE COMMERCIAL BANK OF SCOTLAND, LIMITED, Edinburgh and Branches. IRELAND—Bank of Ireland, Dublin and Branches. Agents in FRANCE: CREDIT LYONNAIS, LLOYD'S BANK (France) and NATIONAL PROVINCIAL BANK (France) LIMITED.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital, - - - -	$ 9,700,000
Reserve Fund - - -	18,000,000
Total Assets, over - -	220,000,000

GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager

BRANCHES:

CANADA—In all the larger cities and towns and throughout each province—254 branches.
NEWFOUNDLAND—St. John's and 18 other points.
JAMAICA—Kingston and 9 other points.
CUBA—Havana.
PORTO RICO—Fajardo and San Juan.
UNITED STATES—New York, 52 Wall Street; Boston and Chicago.

CORRESPONDENTS:

LONDON, ENG.—London Joint City & Midland Bank, Ltd.
NEW YORK—Bank of New York, N.B.A.; National Bank of Commerce.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED -	£55,962,850
CAPITAL PAID UP - -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. - -	81,072,134

THIS BANK HAS OVER 1,300 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
The Agency of Foreign & Colonial Banks is undertaken.

Affiliated Banks:
THE NATIONAL BANK OF SCOTLAND, LTD. LONDON & RIVER PLATE BANK, LTD.
French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

NIAGARA FIRE INSURANCE COMPANY

Incorporated 1850 Head Office: NEW YORK

Cash Capital: $1.000.000.00.
Total Assets Dec. 31st, 1918: $10.286.583.97

Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents: - - Murphy, Love, Hamilton & Bascom

THE ROYAL BANK OF CANADA

HEAD OFFICE MONTREAL

Statement to the Dominion Government (Condensed)
Aug. 30, 1919

LIABILITIES.

Capital Paid Up	$ 16,163,810.00
Reserve Fund	16,406,905.00
Undivided Profits	535,757.19
Dividend No. 128, payable September 2, 1919	483,584.45
Notes in Circulation	36,530,190.74
Deposits	381,307,256.27
Due to other Banks	7,119,172.31
Bills Payable (Acceptances by London Branch)	601,296.63
Acceptances under Letters of Credit	11,722,477.49
	$470,870,450.08

ASSETS.

Cash on Hand and in Banks	$ 76,564,084.66
Deposit in the Central Gold Reserves	20,500,000.00
Government and Municipal Securities	63,799,538.36
Railway and other Bonds, Debentures and Stocks	16,762,522.89
Call Loans in Canada	14,796,003.29
Call Loans elsewhere than in Canada	31,483,755.31
	223,905,904.51
Loans and Discounts	225,836,114.53
Liabilities of Customers under Letters of Credit as per contra	11,722,477.49
Bank Premises	7,190,733.98
Real Estate other than Bank Premises	1,387,233.23
Mortgages on Real Estate sold by the Bank	77,986.34
Deposit with Dominion Government for Security of Note Circulation	750,000.00
	$470,870,450.08

606 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL AND SOUTH AMERICA, ALSO LONDON, NEW YORK, AND BARCELONA.

PARIS AUXILIARY—THE ROYAL BANK OF CANADA (FRANCE)

MONEY BANKING AND EXCHANGE

SUBSTANTIAL GAINS IN BANK CLEARINGS ARE REPORTED

Only Two Cities Out of Twenty-Seven Show Falling Off

DOMINION GAIN 33.4%

Windsor Reports Substantial Gain of 129.3%—Prince Albert Gains 110.2%, Ottawa 63.6%, Winnipeg 59.9%

Bank clearing returns for the week ending September 25 again show substantial gains over the figures for the corresponding period last year. The total for the week is $338,860,653, against $254,013,163 last year, an increase of $84,847,490, or 33.4 per cent. Out of twenty-seven cities reporting only two cities show lower returns, these being Lethbridge and Medicine Hat. In the East the total is $238,818,670, an increase of $57,159,778, or 31.4 per cent. Windsor reports an increase of 129.3 per cent., and Ottawa a gain of 63.6 per cent. Toronto, with a total for the week of $89,786,462, shows an increase of 45.1 per cent., while Montreal reports a gain of 20.2 per cent.

In the West Prince Albert reports a gain of 110.2 per cent. Winnipeg, with a total of $59,006,143, shows an increase of 59.9 per cent. Brandon, Moose Jaw and Fort William also report substantial gains. The total for the West is $100,041,983, a gain of $27,687,712, or 38.2 per cent. Following are comparative figures for the week:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)
Eastern Cities.

	Sept. 25, 1919	Change	%
Montreal	$ 110,389,743	+$ 18,591,430	20.2
Toronto	89,786,462	+ 27,914,248	45.1
Ottawa	9,398,139	+ 3,655,516	63.6
Hamilton	6,139,826	+ 557,971	9.9
Quebec	5,594,468	+ 1,271,100	29.4
Halifax	4,987,674	+ 1,209,496	32.0
London	3,040,060	+ 653,399	27.4
St. John	3,366,029	+ 1,143,935	51.5
Brantford	1,339,867	+ 461,602	52.6
Peterboro	756,111	+ 60,139	8.6
Sherbrooke	853,017	+ 93,349	12.3
Kitchener	916,554	+ 278,448	43.6
Windsor	2,250,720	+ 1,269,145	129.3
Total, East	$ 238,818,670	+$ 57,159,778	31.4

Western Cities

	Sept. 25, 1919	Change	%
Winnipeg	$ 59,006,143	+$ 22,121,094	59.9
Vancouver	12,974,467	+ 988,422	8.3
Calgary	8,269,756	+ 773,071	10.3
Edmonton	4,653,949	+ 1,124,004	31.8
Victoria	2,025,031	+ 93,369	4.8
Regina	4,733,248	+ 1,053,469	28.6
Saskatoon	2,139,532	+ 401,657	23.1
Moose Jaw	2,145,139	+ 652,865	43.7
Ft. William	1,016,705	+ 308,863	43.6
Brandon	762,570	+ 239,013	45.6
Lethbridge	760,146	— 387,908	33.8
N. Westminster	548,853	+ 70,732	14.8
Medicine Hat	480,538	— 26,645	5.2
Prince Albert	525,906	+ 275,706	110.2
Total West	$ 100,041,983	+$ 27,687,712	38.2
Grand total	$ 338,860,653	+$ 84,847,490	33.4
Yr. to date	$10,566,603,407	+$1,514,865,442	16.7

ROYAL

E. L. Arnold, who has been accountant-teller at Lynden, Ont., for the past year, has been transferred to the Lambeth, Ont., branch, and is succeeded at Lynden by F. W. Furlong, who has recently returned to Canada after three years of service overseas, and who at the time of his enlistment was attached to the staff of the Tillsonburg branch.

IMPERIAL

Harry Johnson, who has been on the staff of the Woodstock branch of the Imperial Bank during the past four years, has been transferred to the management of the branch at Bellwood, Ont In order to keep in touch with expanding business and interests in Western Canada, Mr. Peleg Howland, President, and Mr. William Moffatt, general manager of the Imperial Bank of Canada, have left for a trip through the Western Provinces. Only a number of the larger centres will be visited, such as Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Vancouver and Victoria.

UNION

The post-war expansion of the Union Bank of Canada was made further interesting by this week's announcement of the establishment of ten additional branches by which the branch system of the institution is brought to a total of 375, of which 117 branches are in the Eastern Canada division. The latest openings are at the following points: Berwick, N.S.; Burritts Rapids, Ont.; Clearwater, Graysville and Homewood. Man.; Keystone, Kyleville and Mantario, Sask.; North Edmonton and Rimbey, Alberta.

Coincident with its further expansion in the development of its branch bank system, the Union Bank of Canada announces the following staff changes:—

Managers: P. Allan, Kyleville; J. R. Anderson, Winnipeg, Portage and Arlington; G. H. Bond, Winnipeg, Logan Ave.; A. E. Mayers, Macrorie; P. McLeod, Berwick; E. B. Ramsay, Fillmore; S. G. Renouf, Cupar; E. B. Tatchell, Winnipeg, Ellice Ave.

Acting Managers: G. Kay, Sandy Lake; A. A. May, Mantario; L. R. Sisson, Buchanan.

Accountant in charge: E. C. Fallis. Clearwater.

Accountants: K. R. Bone, Rapid City; C. K. Deacon, Neepawa; M. F. Gifford, Alsask; B. R. Kark, Gravelbourg; A. D. McNeil, Minnedosa; V. L. Richardson, Maple Creek; C. Wedgwood, Gull Lake.

Teller-Accountant: A. B. Allen, Kentville; L. B. Bishop, Hughton; P. M. Caldwell, Berwick; W. M. Dagg, Sandy Lake; H. W. Holmes, Newdale; T. A. Horn, Bruderheim; A. E. Johnson, Prince Albert; H. S. Knight, Langdon; C. R. Lee, Neudorf; I. M. Pauls, Salvador; C. Shewfelt, Somerset; V. W. Shouldice, Hepworth; E. Sinclair, Holland; E. B. Turriff, Ninga; W. E. Wilson, Dinsmore.

Acting Teller-Accountant: W. H. Baker, Leduc.

NEW YORK EXCHANGE STEADY DURING WEEK

Only Fractional Fluctuations Noted—Sterling Shows Improvement

New York funds have held steady all week, and only fractional fluctuations were noted. The high for the week was 3 15-16, and the low 3 21-32, which shows an extreme fluctuation of only 9-32 of a cent.

Interest has been centred in sterling, which was bid up to $4.21¼ on Thursday, following advices from London that a big advance was noted there. The advance was merely the continuation of a movement that started on Wednesday, when the close was 74.20. Earlier in the week the rate had hung around $4.17.

Francs too showed some improvement from last week's low levels and showed a net gain for the week of almost one franc on the dollar, selling on Thursday around 8.37 francs for the dollar.

In New York the improvement in the foreign exchange market seemed based on the belief that an early ratification of the peace treaty is pending. The acceptance of the treaty by Congress is awaited as a signal for the extension of foreign credits, which are looked upon as the only means of stabilizing the exchanges until trade conditions are able to effect the necessary balancing.

French newspapers are still continuing their demands on the French Government for intervention to restore the franc to its former levels in the exchange market. "La Liberte" declares the low rate is the result of a frenzied bear campaign by foreign bankers, in which the franc has been the victim.

SIXTY-EIGHT NEW BRANCHES OPENED

699 New Branches Have Already Been Opened This Year—39 Closed

During the month of August the Canadian chartered banks opened 68 new branches and closed 3. This compares with a total of 44 new branches opened in July, and no branches closed. Of the new branches 9 each were opened by the Hochelaga, Merchants, Commerce and Royal; 5 each by the Union, Nationale, Hamilton and Standard; 4 by the Imperial; 3 by the Nova Scotia; 2 each by the Molsons and Provinciale, and 1 by the Montreal.

Of the three branches closed, 1 was by the Union, 1 Merchants, and 1 Hamilton. Following is a list of the branches opened and closed during the month:

OPENED

Union—Kenogami, Que.; Drake, Sask.; Sandy Lake, Man.; Duchess, Alta.

Hochelaga—Eastview, Ont.; Lasarre, Que.; Point Fortune, Que.; Cadillac, Sask.; Lafleche, Sask.; Debden, Sask.: Muenster, Sask.; Falher, Alta.; Bonnyville, Alta.

Merchants—Aylmer, Ont.; Rocklyn, Ont.; Dugald, Man.; Hazelridge, Man.; Roblin, Man.; Oak Bank, sub. to Hazelridge, Man.; Wayne, Alta.; Haynes, sub. to Clive, Alta.; Rolla, B.C.

Imperial—Winnipeg, cor. Portage and Colony Avenues; MacGregor, Man.; Lousana, Alta.; Trochu, Alta.

Nationale—St. Ludger, Beauce, Que.; Kenogami, Que.; Grandes-Piles, Que.; Grande-Bais, Que.; St. Moise Station, Que.

Commerce—Toronto (Yonge and Delisle); Barnston, Que.; Dartmouth, N.S.; Grande Prairie, Alta.; High Prairie. Alta.; Rolla, B.C.; Powell River, B.C.: Squamish, B.C.; Birch Cliff, Ont.

Royal—Blackville, N.B.; Cape Broyle, Nfld.; Penzance, Sask.; Langruth, Man.; Bluesky, Alta.; Donnelly, Alta; Burns Lake, B.C.; Vancouver, Kingsway, B.C., and Erickson, Man.

Hamilton—Ontario, 2 sub branches; Manitoba 1; Manitoba 1 sub branch; British Columbia 1.

Montreal—Summerland, B.C.

Standard—Selby, Ont.; Williamsford, Ont.; Holland Centre, Ont.; Makinah, Man.; Laurier, Man.

Nova Scotia—New Brunswick 1; Nova Scotia 2

Molsons — Toronto (St. Clair Ave.); Verdun, Montreal.

Provinciale—Sayabec, Que.; Lac S.-Marie, Que.

CLOSED

Union—Pollockville, Alta.

Merchants—Pouce Coupe, B.C.

Hamilton—Alberta 1.

For the eight months to the end of August the record of branches opened and closed is as follows:

	Opened	Closed
January	102	3
February	106	8
March	129	6
April	104	13
May	84	2
June	62	4
July	44	0
August	68	3
	699	39

P. O. UNAWARE OF EXCHANGE RATE

Except When Cashing Money Orders, When Rate Drops

Any person sending money out of Canada by a postal money order must pay a much larger rate of exchange than is charged by any of the Canadian banks. This applies at all Canadian post-offices, and in every case where inquiries have been made, the local post-office officials have referred the inquisitive one to Ottawa. The exchange rates, in use in post-offices, are set periodically by the postmaster-general's department, and local offices have no option but to charge the rates fixed at the Capital.

Investigation made by THE FINANCIAL POST shows that $4.20 per $100, or 4 1-5 per cent. is the rate of exchange charged for sending money to the United States. This rate has been in force since September 20, though New York funds have been as low as 3½ per cent. at the banks since that date. $4.20 per $100 is the smallest rate; it varies with the amount. To send $6 to the States costs 35 cents exchange over and above the commission. This figures out at 5 5-6 per cent. To send $11 costs 55 cents exchange, or 5 per cent.

The divergence is probably more marked in relation to sterling. To buy a money order for £100 on England costs $480, in addition to the commission. At the banks the cost of a draft for a similar amount would be only $430. The Government rates are about 11 per cent. higher than the prevailing quotations.

In selling money orders on other countries in the Postal Union, the post-office ignores the exchange rates to just the same extent. For $100 the post-office sells a money order on France for 580 francs. At the bank about 800 francs can be purchased for $100. Comparisons made by THE FINANCIAL POST between the post office and the bank charges for drafts on Holland, Belgium, Italy and the Scandinavian countries show similar conditions.

That the post office is not entirely ignorant of the fact that exchange rates are so abnormal is shown by the fact that when the process is reversed and money orders from other countries are cashed by Canadian post-offices, the rates are very much different. The pound, for instance, which was being sold for $4.80, suddenly drops in value to $4.30, and a money order for £100 sent from England is only worth $430, the same as if presented at a bank.

When THE FINANCIAL POST asked the inspector of post-offices at Toronto the reason for the difference, he said: "Ask Ottawa. We only obey orders here in Toronto."

MONTREAL

A report from Nanaimo, B.C., states that the Bank of Montreal will shortly open a branch at that point.

The New York agency of the Bank of Montreal, acting on behalf of the Indian Government, has opened tenders for a further 4,000,000 rupees in telegraphic transfers on Calcutta. Tenders were received for a total of 6,285,000 rupees at the average rate of .42518.

This makes the fourth offering that the Bank of Montreal has made on behalf of the Indian Government during the past month. The first one was for 3,000,000 rupees and the last three for a total of 4,000,000 rupees each. The prices obtained have varied from .4198 to .43.

G. S. Hensley, manager of the Edmonton branch of the Bank of Montreal, has been appointed to the head office of the bank and will be succeeded at Edmonton by F. S. Ridley, who for the past five years has been inspector of the Western division of the bank, with headquarters in Winnipeg.

The following changes in managers of the Bank of Montreal are announced:—

Edmonton, Alta.: F. C. Ridley appointed acting manager at Edmonton.

Ladner, B.C.: H. G. McCullough, manager at Port Haney, appointed manager at Ladner.

Ottawa, Ont.: D. W. Oliver, sub-agent at Waterloo Place, London, Eng., appointed associate manager at Ottawa.

Quebec, Que.: G. Lawson, appointed assistant manager at Quebec.

Winnipeg, Man.: G. A. C. Weir appointed assistant manager at Winnipeg.

A branch of the Bank of Montreal was opened for business at Stewart, B.C., on the 18th instant.

A sub-agency to the Verigin office of the Bank of Montreal was opened on the 19th instant at Mikado, Sask. A service will be given on Monday and Friday of each week.

A sub-agency to the 150 Mile House Branch of the Bank of Montreal was opened at Williams Lake, B.C., on the 16th instant. A service will be given on Wednesdays and Fridays.

LONDON JOINT CITY AND MIDLAND BANK LIMITED

HEAD OFFICE: 5, THREADNEEDLE ST., LONDON, E.C. 2.

30th June, 1919	$5=£1
Subscribed Capital - - - - - -	$177,726,615
Uncalled Capital - - - - - -	136,281,252
Paid-up Capital - - - - - -	41,445,362
Reserve Fund - - - - - -	41,445,362
Deposits - - - - - - - -	$1,855,273,000
Cash on Hand and Balance at Bank of England - - - - - - - -	397,133,860
Money at Call and at Short Notice - -	380,340,540
Investments and Bills of Exchange - -	481,523,065
Advances - - - - - - - -	584,372,130
Advances on War Loans - - - -	61,245,810

Overseas Branch: 65 & 66, Old Broad Street, E.C. 2.
Foreign Banking Business of every description undertaken.
The Rt. Hon. REGINALD McKENNA, Chairman

A WILL IS THE MOST IMPORTANT DOCUMENT IN A PERSON'S LIFE,

for on the making, and proper making, of a will may depend, and often does, the comfort, maintenance and peace of mind of a person's near and dear—his wife, children, mother.

If YOU have not yet attended to this all-improtant document, you should lose no time in consulting the trust officers of a modern trust company, for it is the ideal executor and trustee—efficient and responsible.

Our trust officers will be glad to have you call or write regarding your will and your executor. Without obligating you in any way you may have the benefit of their wide experience.

THE
TRUSTS AND GUARANTEE
COMPANY LIMITED
BRANTFORD TORONTO CALGARY
JAMES J. WARREN PRESIDENT E. B. STOCKDALE GENERAL MANAGER

NEWS AND VIEWS FOR MANAGERS

GINGERING UP THE SAVINGS DEPARTMENT

Some Canadian Ideas Presented at New Orleans Convention

A TIME FOR ACTION

General Conditions Are Such That an Educational Thrift Campaign Has a Peculiar Appeal

In the following article, embracing ideas in savings account building, delivered in an address before Financial Advertisers' Association Convention, at New Orleans, this week, by D. McEachern, secretary of the Huron and Erie Mortgage Corporation and the Canada Trust Company, London, will be found much of interest and value to the branch bank manager as well as to head office officials who have charge of advertising campaigns. Although Mr. McEachern is himself a loan company official he deals with the subject in a broad way and his suggestions apply to banks quite as well as to the loaning organization.
—*J. W. T.*

In every savings ledger there are numerous accounts which for many months, perhaps for years, have been undisturbed by the addition of a deposit. The owner of the account may now be unable to save or he may have fallen into extravagant habits, and it is also quite possible that for some reason he now deposits in a rival institution around the corner.

The first step in winning back this customer is to make certain of his correct address. This question of depositors' addresses in these days of changes is of prime importance, and it is worth time and expense to keep them up to date.

Good results in winning back old customers have been obtained by:

1. Securing correct address.
2. Mailing a well-worded letter of invitation to revive the account.
3. Mailing more well-worded letters containing "reasons why" until the end is gained or some good cause for ceasing the follow-up presents itself.

One letter that pulled told the depositor that his balance on the date of last deposit was $187.53, and if $20.00 each month had since been added he would now be the possessor of $540.22, including compound interest.

The Joint Account

Wherever the joint account system has been used it has been found a success. It is a convenience to depositors and causes but little additional work to the Savings Department staff. Institutions which extensively advertise the joint account find they are combining a much appreciated service feature with a business-getting and a business-holding force.

Women are no longer content to allow the family purse or the family savings account to wholly remain in the possession of the nominal head of the household. The joint account steps into the breach and amicably solves this financial problem in many households. By its adoption, funds on deposit may be added to or withdrawn at any time by either of two parties or by any one of two or more parties. In the event of the death of one the money automatically belongs to the survivor or survivors without recourse to any form of legal procedure.

A growing tendency has been noticed to use this joint savings account privilege to dispose of funds after death—in this way saving much inconvenience, together with the delay and expense attendant upon the probating of a will.

Women Depositors

Speaking of women depositors, have you ever analyzed the new accounts opened in your savings department during, say, a twelve months' period? If so, you will have noted the large and growing proportion of women depositors. This is, I believe, a general condition and it is leading financial advertisers into broader fields of endeavor. The majority of the urban male population cannot call at the savings wicket during office hours. The mechanic's wife is therefore not only responsible for the household expenditure, but is also entrusted with the maintenance of the family savings account. Likewise to a large extent this is true in the case of the farmer's wife. A goodly portion of the farm income is actually earned by her in the dairy, poultry yard, garden and field. Why then should the bulk of financial advertising be aimed at the male population? Should not a substantial portion be expressed in the language that would best appeal to the good sense and thriftiness of women?

Attractive Pass Book

A somewhat neglected feature of savings department operation is the pass book. It is the connecting link between the depositor and the department, and a neat and well-printed book will repay an extra price per thousand. A badly soiled or torn pass book should be replaced by a new one after the ledger keeper has secured the depositor's permission.

Closed Accounts

When a savings account is wholly withdrawn, what does your ledger keeper do with the pass book?

The wide-spread practice of retaining the book at the wicket because of some musty regulation is open to criticism. If the depositor is allowed to surrender his pass book simply because he is temporarily in need of funds, his connection with the savings department is completely severed. He should be told to keep the book, as doubtless it would be found of use at a future date when he has further funds to deposit.

Departmental Co-operation

It has been truly said that the savings department is the nursery for the other departments of a financial institution. Since, therefore, this department furnishes prospects who may be readily persuaded to use other branches of the institution's activities there should be reciprocation.

Personal enthusiasm on the part of every person connected with the institution is an important consideration when laying plans for a greater Savings Department. With this aid, carefully prepared programs will attain their goal with a minimum of expense and effort.

It has been amply proved that the interest of employees in the forward progress of any business is best secured when a system of reward for well-doing is worked out which will include all on the pay-roll in a fair and equitable manner.

The month in and month out, year in and year out, unrelenting persistence in presenting the savings story, while perhaps irksome at times to the stirring soul of the Advertising Manager, is nevertheless the safer and less expensive method of securing savings rather than the spasmodic effort which too often is tinged with sensationalism.

Conditions Vs. Savings Account

The 1919 high cost of both necessities and luxuries imperils the onward progress of the Savings account in many households. Any encouragement, incentive or even any argument that can be supplied to aid struggling savers should be gladly given. A ray of hope and incidentally a good argument to bring to the attention of depositors will be found in the recent Government assurance that many articles of every-day use will fall in price during 1920. Every dollar, therefore, that can be saved this year will later on have a greater buying power.

Yet it will be readily agreed that it is the cost of extravagant living which robs the savings account of much of its due. A blast of thrift is imperatively needed throughout the land and from whom could the necessary thrift education better come than from the Financial Institutions?

The reward that surely comes to institutions which spend money to promote thrift cannot by any means be computed in dollars and cents. The reward is to be found in the good-will of the thousands who have benefited by the sound advice and by the encouragement of a courteous service. It is to be found in the establishment of happy homes, the betterment of living conditions and in a growth of national prosperity.

PROFIT-SHARING IN BANK

Every Employee Participates in Net Earnings of This Institution

A profit sharing plan, as a result of which every employee of the bank participates to a substantial extent in the net earnings of the institution, has been inaugurated by the Federal Commercial & Savings Bank of Port Huron. It is not a temporary bonus system. It is a permanent plan through which every employee of the bank will participate in the earnings. Vice-president and cashier S. A. Graham says: "This bank has been established for a third of a century and among our employees are men who have given practically their whole lives to service. We have so arranged our profit sharing system that time of service will be rewarded, as well as ability. In devising a profit-sharing plan we have simply taken an advanced step which many of the larger banks of the country have adopted. We have given considerable study to the matter and we believe, under our plan, we have made it possible for every one of our staff to benefit materially."

BANKS CONCERNED IN CO-OPERATION BETWEEN CLASSES

Stability of Credit Depends on Harmony Between Capital and Labor

BANK MEN'S VIEWS

Real Scarcity and Inflation Are Two Factors Often Forgotten in High Cost Complaints

Bankers are neutral on all questions affecting capital and labor, and for that reason the observations of two leading Canadian bankers at the Industrial Conference in Ottawa should be of more than ordinary interest. H. C. Mackenzie, assistant general manager of the Bank of Montreal, and J. P. Bell, general manager of the Bank of Hamilton, were the representatives of the Canadian banks at the conference.

Mr. Mackenzie in this address, said:

"It means a great deal to all classes of the country, including the bankers, that you should on both sides of the House agree together. One of the very foundation stones of banking credit is confidence, and confidence is very rudely shaken by industrial unrest and class antagonism. With those things cleared away, our path is very much more clear to lend the necessary support to the commercial and manufacturing interests of the country.

Test of Reconstruction

"The upheaval and dislocation caused by the war have been so tremendous and so widespread that we cannot expect the return to normal conditions to be accomplished without friction, and this clearing and readjustment may indeed prove to be as severe a test as the war itself of our business prudence and ability, and of the quality of our citizenship. The war is going to leave us with a national debt of quite formidable proportions, and the interest on that debt, and the pensions, and the gradual repayment of principal are going to lay a heavy burden on this country. It is, therefore, essential that our national production should be maintained at the very maximum consistent with reasonable expectations of demand. For this we must have internal harmony, and I am sure that every man and every woman who has spent the week in this room will go away feeling encouraged in the belief that whatever troubles we may approach in the near future they can be met and solved in the same spirit of mutual forbearance and good-will."

General Manager Bell

Mr. Bell spoke as follows, in part:

"We feel most sincerely that this is a very memorable occasion, and we have watched with great pleasure and delight the gradual emergence from the troubled waters of a common ground of meeting, and the steady growth of harmony and good-will which is permeating this conference. It is very true that we are vitally concerned in its successful outcome. We are vitally concerned in seeing stability in industry, in seeing co-operation and good-will among all classes.

Forgotten Factors

"May I say a few words about that common bugbear—high cost of living or high prices—the real cause of the unrest. Much has been said about profiteering, monopoly, high wages, extravagance, but there are two other factors to which little reference has been made—real scarcity, and inflation. The big drop in prices expected when war closed did not come in spite of the fact that the one big buyer, the Government, virtually dropped out of the market. Prices wobbled a little, but only temporarily. The trade situation was too strong. High prices have not deterred buyers, nor deprived most people of the comforts, nor indeed the luxuries of life. Who can deny that a very real reason is the scarcity of goods of all kinds, including foods? We had hoped at one time to have a large exportable surplus of wheat, but the unfavorable weather in July and August seriously damaged crops—it was a real calamity to have lost 100,000,000 bushels of wheat out of this year's crop, for the high cost of flour affects the cost of living all along the line. In other things, too, we are faced with a marked scarcity. The buying power of the people has outrun production.

Result of Inflation

"The second factor to which I would draw your attention is inflation due to enormous increases in supplies of money and credit available in various forms, due to the huge war borrowing by the Government. In Canada the increases in Government and bank notes, in cheques, in deposits (which represent potential purchasing power), during the years of war were about eight times the normal increase in a similar pre-war period.

"It has been said there is no evidence of the immediate rise in prices following a creation of fresh credit by the Government, but an analysis shows that the relations between the increase in currency in all those forms, and higher prices, is not coincident; that the rise in prices lags behind the increase in currency, usually about four or five months. The chief cause of this increase in currency is to my mind the enormous expansion of Government credit, which has permeated the whole country. It, and not real savings, account for the growth in deposits. Thoughtful economists insist that if the cost of living is to come down there must be an end of this expansion of Government credit, and that economy must be the watchword in our capitals and our homes. War has always been a great obstruction to the sources of supply of all goods of all kinds, and this very real scarcity of things, added to the inflation, shows that what is wanted more than everything else is work, steady honest work, to make good the shortage of essentials which has resulted from the four years' interruption of industry and the terrible waste of war."

Guaranty Trust Company of New York

NEW YORK LONDON LIVERPOOL PARIS BRUSSELS

Condensed Statement September 12, 1919

RESOURCES

Cash—on Hand and in Banks		$160,029,765.45
Exchanges for Clearing House		33,831,826.60
Loans and Bills Purchased		438,826,951.96
U.S. Government Bonds and Certificates		38,100,722.15
Public Securities, including British and French Treasury Bills		30,794,309.89
Other Securities		52,968,523.65
Bonds and Mortgages		1,910,600.00
Foreign Exchange		13,097,045.77
Credit Granted on Domestic and Foreign Acceptances		52,414,058.21
Real Estate		6,000,000.00
Accrued Interest and Accounts Receivable		5,927,839.02
		$833,901,642.70

LIABILITIES

Capital	$25,000,000.00	
Surplus Fund—required by law	5,000,000.00	
Additional Surplus—not required by law	20,000,000.00	$50,000,000.00
Undivided Profits		4,636,977.89
Accrued Dividend		1,000,000.00
Outstanding Treasurer's Checks		20,424,775.94
Foreign Accounts		15,425,317.88
Domestic and Foreign Acceptances		52,414,058.21
Accrued Interest Payable and Reserve for Taxes and Expenses		5,761,857.66
Deposits		684,238,655.12
		$833,901,642.70

This Company, through its various departments, offers the facilities and services of a commercial bank, a foreign exchange bank, and an investment institution.

Rapid and Efficient Delivery

ABILITY to fill rush orders is often the secret of business success.

Speed — service — reliability — are embodied in the Ford Motor Truck.

It brings the distant suburbs — the adjoining rural districts—to your door.

You may often arrange to haul return loads at a profit.

Satisfies your customers and yourself.

Ford

One-Ton Truck (Chassis only)

$750, F. O. B. Ford, Ontario

Buy only Genuine Ford Parts

700 Canadian dealers and over 2,000 Service garages supply them. 133

Ford Motor Company of Canada, Limited

Ford, Ontario

THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

Editor - - - - - - - J. W. TYSON.

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:

Single insertion .... $ 2.10 per inch.
Yearly insertion .... 58.25 per inch.
Financial Reports, Debenture Notices, etc., 15c per agate line.

SUBSCRIPTION PRICE:

Canada and Mexico .... $3.00 per annum
United States .... 3.50 per annum
Great Britain, Ireland and Colonies having minimum post rates .... 12s. 6d.
France and other Countries .... 16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

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TORONTO, SEPTEMBER 27, 1919

PULP AND PAPER IN CANADA

THE record of the development of the pulp and paper industry of Canada as given in this number of THE FINANCIAL POST is a romance in facts and figures. A few years ago practically negligible as a factor in the nation's activities, to-day it represents the greatest single factor in our exports of manufactured products.

But perhaps the most encouraging feature of any analysis of Canada's pulp and paper business, is that as one of the basic industries of the country it has a future which promises to shade into comparative unimportance the showing which has already been made, substantial though it is in many respects. It is backed by those essentials of the most successful manufacturing activities—an abundance of raw materials, water powers of huge dimensions, and certain accessible markets.

Moreover, the majority of the leading pulp and paper mills in Canada have been generously fed with financial resources that have enabled them to build on a large scale for the future by the faith of investors who were prepared to wait for returns while the constructive stage was being passed. All these factors combine to render the pulp and paper industry of Canada one in which this country in a few years promises to win a foremost position throughout the whole world.

That Canada may reap the greatest possible benefit from this industry, it is important that the great bulk of the forest output should be manufactured into paper in this country. In order that this may be accomplished, the investment of capital must be encouraged: In this connection, intelligent regulation by the Government—if, and when regulation is necessary—and broad consideration of all the factors involved by the directors of the big developing companies in the conduct of their enterprises are highly important.

O'CONNOR'S WANING POPULARITY

THE appointment of W. F. O'Connor to the Commerce Board was generally regarded as a "popular" appointment. Following his resignation—by request—as Cost of Living Commissioner, he took up the role of a martyr in the public cause with the assistance of the Toronto *Globe* as a press agent. The impression was created that he was "called off" his investigation of the packers and other big business at a time when he was on the verge of obtaining important results in reducing the cost of living. It was natural then that there should have been a strong agitation for his appointment to the new board in order that he be given a chance to accomplish something.

Following in the course he had adopted with regard to the packers, he has continued his spectacular methods of attracting public attention, but the chorus of approval has subsided as the scope of his activities has increased. His slap-stick tactics in regard to practically every section of the business community have been followed by a frontal attack upon the food producers. The result is that any remaining popularity he may have is now with the consumer who is a consumer only, and who is not engaged in any of the various lines of production and distribution referred to.

The remaining hope for Mr. O'Connor to justify his appointment with even that section of the public which still has faith in him is to actually effect a material reduction in the cost of living. To use the expression, his bluff is being called—and if he is able to show anything better than a four-flush, it will be a surprise to those who have followed his career as a cost-of-living investigator with an understanding of the fundamentals of business. The reasons are the same now as they were in May of 1918, when THE FINANCIAL POST said:

> There is no reason to doubt Mr. O'Connor's sincerity; there is no lack of evidence of his energy. But he himself states, that his business experience ended when he was twenty-two; that the investigations of the cost-of-living department were carried on by a machine from which he merely extracted certain statistics and that he told at least one of the firms being investigated that he knew nothing of its business, and did not have to.
>
> It was because he merely made mathematical deductions about matters of which he knew little or nothing that Mr. O'Connor got into trouble. When he saw how his deductions were being misconstrued by the press, he gave some indication of a willingness to correct public opinion. However, when he found that the people had made him an idol, even though on a false pedestal, he refrained from further endeavors to right the injustice being done. He is now, evidently, quite willing to continue in the role which public opinion has cast for him.

We believe that good can be accomplished in the public interest by such a body as the Court of Commerce—but not in the way Mr. O'Connor is going about it. There is a possibility too that the appointment of such a body is a moral factor in the present tendency towards lower levels for some commodities, but that it is a stronger factor than the ending of the war and the outlook for increased world production we would seriously doubt.

Neither Mr. O'Connor nor anybody else can relieve a situation created by an actual shortage of commodities by interfering with production or with distribution even though there may be at times an accumulation of profits as the result of efficient service to a large community with minimum overhead expense. Had the Court of Commerce endeavored to seek out those few pernicious combines which are known to exist for the curtailment of production and the enhancement of market values and profits, there would perhaps have been fewer interesting newspaper headlines for the people to read, but there would have been more material benefits in the long run.

THE VICTORY LOAN AND FOREIGN TRADE

SUPPOSING there had been on the outskirts of San Francisco, at the time of the great holocaust, a prosperous market gardener with more vegetables than he required, would it have been wisdom for him to hoard his supplies in order that he and his family might have more than they needed, or would it have been better to have sold his surplus to the famished citizens who had no money for the time being, but who could offer good security at a substantial rate of interest—particularly if the farmer could lay up goodly profits against a mortgage on his own property?

There is only one answer in this hypothetical case. Likewise there can be only one answer to the question as to whether it is advisable for Canada to extend credits to European countries in order that they may buy our products. For humanitarian reasons and for selfish reasons the farmer would finance the San Francisco sufferers who were his "market." For the same reasons exactly, Canada should endeavor to finance the European countries which constitute our market and which for the time being, are unable to pay their bills on the dot.

This effort to visualize the national problem of export trade in terms of individual business is to meet the argument which will no doubt be used by certain short-sighted individuals that Canadians should not lend their money to the Government in order to give foreign credits —an argument which can be made dangerously insidious when it is supported by the contention that as the price in Europe sets the price at home for food stuffs we are keeping up the cost of living by lending to those who buy from us.

Canada, to-day, is one of the world farms. We produce much greater supplies of foodstuffs than we consume. On the sale of the surplus depends our national prosperity—the prosperity not only of the farmer, but of all classes. If there is no market for this surplus, great quantities of foodstuffs may be sold for less than the cost of production. This would not only mean a loss on current operations, but the elimination of that surplus profit to pay for the goods we must import and to meet the interest on the huge national mortgage which has been increasing so rapidly since the outbreak of the war. The sad reality of the case is that if we have cheap living in Canada, it will probably be accompanied by hard times.

EDITORIAL BRIEFS

WHEN Lieut.-Col. Frank Morrison, of Hamilton, told the people that the consumers were largely to blame for high prices, because they would rather pay them than curtail their requirements, he touched upon a very vital, but, alas, a very unpleasant truth.

* * *

THE argument is advanced by the Toronto *Globe* that the Court of Commerce should be put beyond Parliamentary control in order that Mr. O'Connor may be permitted to carry out his rough-shod edicts without interference by the Government. Which prompts the question as to what the people elect a Government for.

* * *

THE rise in prices of farm products since the outbreak of the war has been 120 per cent., according to the National City Bank of New York. The returns to the farmer should compare favorably with those in any other line of production—and the taxation programme has shown him consideration.

* * *

THE exodus of foreigners from Canada is concretely shown in the reduction of the population of Hamilton during the year by about 2,000. What effect the departure from the community of "rough" laborers will have upon prosperity remains to be seen. It largely depends upon whether there are others able, and willing to do such work.

* * *

MAYOR COUZENS, of Detroit, has sold his Ford holdings, the outgrowth of an original investment of $2,500, for $29,000,000. This should provide irresponsible investment brokers with some bright ideas in advising the gullible public as to how to make fortunes out of their hard-earned savings.

* * * *

PRESIDENT WILSON'S reference to the Boston police strike as a "crime against civilization," is regarded by the *Commercial West* as an evidence that the chief executive of the United States has finally been brought to recognize the dangers of Bolshevism of which his advisors failed to keep him informed while he was in Paris. The Boston incident, like the Winnipeg uprising, revealed conspiracies to cripple the forces for law and order.

* * *

THE responsibility of the Ontario Government in connection with the Standard Reliance affair is recognized by the London *Free Press*, which goes to the heart of the matter when it says: :

> Obviously an inspection that does not inspect is a farce. If the Government says to the investing public: We keep an eye upon the companies, to prevent them from misappropriating your money; and if this money is appropriated, after all, is there no Government responsibility? In the case of these companies unwise investments appear to have been made. Why were they unwise? Because they lacked the element of certainty. They were speculative. In other words, the companies speculated with the moneys entrusted to them for safekeeping. Is speculation necessary in the conduct of the business of a loan company? We do not so understand conditions.

NATIONALIZATION DENOUNCED BY BRITISH LABOR LEADER

J. Havelock-Wilson Says It Would Mean Industrial Chaos—Post Office and Telephone System Are Object Lessons

By J. HAVELOCK-WILSON.

President and Founder of the National Sailors' and Firemen's Union.

Personally, I am of the opinion that if the majority of the workers and the majority of the people desire industries nationalized, the measure should be carried. But I think that it is essential that the people should know what nationalization really means, and how it will affect the workers.

Those who approach nationalization do so only from one point of view. They denounce and rave against the capitalist without understanding—or at least without explaining—in what relation capital really stands to labor. They point out with great indignation that huge profits are made by the capitalist; but they entirely overlook the fact that capital sometimes, and indeed often, loses on a deal. They endeavor to persuade their hearers—having presumably deluded themselves that if the capital credit was to go into the pocket of the State instead of into the pockets of approved individuals, the worker would have a much better time.

It is a long, long time since I parted with these theories, if I ever held them very strongly. In the first place, when the State begins to manage the business the chances of profits are too soon eliminated. It has been so in the case of the Post Office, in the administration of the Telephone Service, and while the railways have been temporarily under State control during the war. What ground is there for hoping that any different result will be obtained when the larger part of industries are brought under State control?

Again, I think that the "Nationalizers," as I call them, could not have brought their case forward at a more inopportune time. Committees have been inquiring into the mismanagement of one department and another, and certainly some very staggering reports have been presented to the public. Moreover, the average men and women we meet are demanding that all State control which has been forced upon us as a consequence of the war shall be swept away.

Of course, when you discuss the matter with the Bolshevist element, the reply received is—and it may be perfectly true—that the bureaucrats have mismanaged the business. But, they add, with Labor in full control of Parliament and of the Government Departments, this state of affairs would not be.

Millenium in Twenty-four Hours

With this view I cannot agree. I believe that if Labor had control of Parliament and of the Government Departments, we should be in a hopeless muddle and mess. And I hold this opinion not because I believe that there are not any men in the ranks of Labor who are capable of filling important positions with dignity and credit to the people they represent. But they would never get a fair chance. The extreme man would demand that we should turn this old country of ours into a new heaven on earth in 24 hours. It cannot be done! People must learn their business; and the science of Government is a trade in itself and requires a good deal of learning.

My strong objection to the nationalization proposals is due to the feeling I have gained by experience—that you cannot have armies of permanent officials without interfering with the liberty of the subject.

State as Employer

How would the miners get on with the nationalized mines all under the control of the State? Supposing that a man were dismissed from one colliery—let us say for insubordination, if you like—and that he went to seek employment at another colliery. It would not be a new employer to whom he would apply. It would still be to the State Department which controls the mines, and, having been discharged from one mine belonging to the State, I cannot conceive that it would be very easy to obtain employment in another.

But we may be reminded that there will be a Labor Government in office when nationalization becomes a reality, and that the bureaucrats will all be Labor men. Even if this should be so it does not alter the fact that discipline must be maintained, even when the Government is in the hands of Labor. If the advocates of nationalization attempt to get round this fact, they will be supporting a state of anarchy which could only lead to national disaster.

Cost of Officialdom

Then it ought to be shown the workers that an enormous amount of money will be expended on officials. A great deal of this will be paid for unproductive labor. In any form of nationalization there will be some fat jobs knocking about, and everyone will want one of them. The politicians will have a busy time seeking to please their friends, or their so-called friends, by providing them with good positions. I anticipate that even before nationalization becomes an accomplished fact there will be a good many gentlemen on the look-out for a post of some kind or other. When they have all been satisfied there will be precious little profit left to divide amongst the workers.

This is not a time for experiments. Once you start out on your journeying it is difficult to retrace your steps; and so, taking the line of least resistance, many people are inclined to go from bad to worse. But the worst tragedy is that such extreme proposals should be made at a time when the nation has a right to demand more unity from men as citizens.

Why There is Unemployment

At the present time there are millions of men and women unemployed! There should not be one-hundred thousand; and I emphatically state that there could not be any serious unemployment problem but for the wild-cat schemes that have been launched upon the public by the labor extremists. These men are not seeking industrial peace—they have openly declared in favor of industrial revolution. They are crying for the scrapping of the capitalistic system and of our present system of Government. And, in exchange for these old and tried institutions, what have they got to offer? Believe me, it will be chaos and lost liberty.

For these reasons, as a trade unionist, I am out to fight against nationalization of industry at every step. Holding the opinions I hold, I could not do otherwise. I am firmly convinced that I am defending the rights and liberties of my fellow-workers.

AS OTHERS SEE US

SUGAR AND PROHIBITION

Toronto "Globe."

THE FINANCIAL POST stated last week that since prohibition came in the people of the United States have used "a hundred thousand tons of sugar more per month than were used during the wet period." The Personal Liberty League may now call on the women of Ontario to vote for the repeal of the Ontario Temperance Act in order to bring down the price of sugar. The League's appeals are about as illogical as that would be.

THE POWER BEHIND THE THRONE

"Grain Growers Guide."

The Ottawa representative of THE FINANCIAL POST, of Toronto, contributes to his paper an interesting article on the political situation. After dealing with other matters he refers to the political importance of the farmers, say:—

"Whatever may be the woes of the farmer economically, it must be admitted that, politically, he occupies a unique and happy position. Possibly he does not realize just how important a figure he is becoming in the political world. No Government, Federal or Provincial, makes a move nowadays without its first consideration being: "How will the farmers take it?' It is a ghastly joke, so the manufacturers say, to refer to them as being the power behind the throne. The time was, undoubtedly, when they were; but now their only useful function in the political scheme would appear to be to furnish campaign funds. Which leads to the natural speculation as to how long they will continue to do this, without getting a run for their money?"

It is good to know that the Governments have become so concerned as to the farmers' attitude on public questions. But in the Federal field, at any rate, this concern is not doing the farmers much good. They may say at Ottawa: "How will the farmers take this?" But the conclusion they come to is that no matter how the farmers take it, they will have to take it, whether they like it or not. The last Budget is a good illustration of this.

The "Guide" has often pictured the manufacturers as "the power behind the throne," dictating the tariff policy of both political parties and furnishing them with campaign funds, and now we have this confirmed by a journal which is a mouthpiece of the financial interests, the dominant possessing class in Canada. The article in THE FINANCIAL POST, from which the foregoing extract is taken, says plainly that the manufacturers are still furnishing campaign funds; and in addition to saying that it intimates with equal plainness that the furnishers of the campaign funds intend to continue to get value for their money. They are not furnishing campaign funds because they love the politicians in control of the political parties, but because they are determined on continuing to control the shaping of national fiscal policy. It is for the farmers, and for all other Canadians who want to see the principles of equal rights for all and special privilege for none prevail in Canadian public affairs, to say whether the present system shall be allowed to continue.

The total value of American automobile exports for fiscal year ended June 30 was over two and one-half times that of the fiscal year 1914.

PERSONALS

HENRY J. FULLER, vice-president of Fairbanks, Morse & Co., has been elected a director of the Finance & Trading Corporation, New York City.

LT.-COL. H. L. DE MARTIGNY has been appointed in charge of the sales organization of Rene T. Leclerc, investment banker, Montreal.

JAMES W. SIMPSON, superintendent of home agencies of the Sun Life, leaves next week for an extended tour of the company's divisions in Western Canada. Mr. Simpson has just returned from a tour of inspection in the State of Michigan.

LT.-COL. DE MARTIGNY has seen long service in France, having left with the original 22nd Battalion, and has recently returned to this country in command of the 10th Canadian Reserve Battalion. He was formerly secretary to the chairman of the Transcontinentl Railway and was also connected for several years with the office of the vice-president of the Equitable Life Assurance Society of the United States in New York.

E. ROGER OWEN, general manag of the Commercial Union Insuranc Company, is now making a trip acros Canada, and will return east throug the United States. Mr. Owen is one of England's most distinguished insuran men, having been in charge of the Commercial Union, the largest general in surance company in the world, for ma years.

P. H. VIBERT, chief inspector of th Union Bank at Winnipeg, with 260 Wes ern branches under his jurisdiction, calls the time when Lethbridge had th only branch of the Union Bank west Winnipeg. The branch there was opene in 1886, and it was also the first bank Alberta. Edmonton did not have a ba until 1891. Mr. Vibert went from th Quebec branch of his bank to the Leth bridge office in 1890.

HON. SENATOR C. P. BEAUBIE K.C., who is a director of a number companies, including the Canadian Ca & Foundry, Ames-Holden, Atlantic Suga etc., sailed this week for Geneva, whe he will represent the Canadian Parlia ment at the International Parliamenta Congress. He will afterwards go to Par to meet the Minister of Transportatio and complete arrangements for the a pearance in Canada next spring of th proposed exhibition train of Fren manufactures.

W. C. JOPLING, who has been assis ant manager of the Commercial Uni Insurance Company in Canada for so time, and who has been with the co pany for forty years, has been appoint Canadian manager in succession to th late James McGregor. The announ ment was made by E. Roger Owen, ge eral manager of the company, who is n in Canada on a visit. It was generall anticipated that Mr. Jopling would r ceive the appointment, as he has bee in charge of the company's Canadi business, with head office in Montre for the past three years.

E. S. MILLER, newly-elected preside of the Life Underwriters' Association Canada, has one asset that is next o to his ability to sell insurance; that his ability to organize. Organization his gospel and he preaches it continuall In 1901, when he was appointed Montre manager of the Imperial Life, he beg circularizing his agents asking them get together. Later when he was wi the Manufacturers' Life, and with a la American company, co-ordinating th business in thirty-seven states, the sa quality served him. In 1914 he rejoin the Imperial Life forces as manager f Saskatchewan.

T. R. ENDERBY, the new managin director of the Montreal Transportatio Company, is also secretary of Halifa Shipyards, in both of which concer Roy Wolvin is a leading spirit. M Enderby has had a long experience shipbuilding work. He was for so time connected with the British Colum bia Electric Company as purchasin agent, and afterwards was appointe treasurer of the West Coast Navigatio Company. Next he became general ma ager of Cameron, Genoa, Mills, Shi builders, Limited, of Vancouver. May last he came to Montreal as tre surer of the Montreal Transportatio Company, from which position he w appointed managing director.

HON. FRANK COCHRANE, who died Ottawa on Monday, was well known as parliamentarian, but it is interesting note that he was an equally able bu ness man. He founded the Cochra Hardware Company, Ltd., at Sudbur and built up its business until it h branches at North Bay, Copper Cliff a Sault Ste. Marie. Mr. Cochrane, w was 67 years old, was born at Clarenc ville, Quebec. More than forty years he was entrusted with an important mi sion by the Hudson Bay factor in Nort ern Ontario, and later became one of t best posted men in the province on ma ters pertaining to the North countr His knowledge was so extensive that 1905 he was appointed Minister of Land Forests and Mines for Ontario by S James Whitney. Later he was electe to represent Nipissing in the Ontari Legislature by acclamation. In 1908 was returned for the newly-created ele toral district of Sudbury. In 1911 was called to the Cabinet formed by S Robert Borden, and became Minister Railways and Canals for the Dominio He resigned his portfolio when the Unio Government was formed, and was a pointed Minister without portfolio that Administration. He held this pos tion at the time of his death. Durin the absence of Ministers he acted Minister of Railways and Secretary State.

In discussing the question of Briti finances, the American correspondent the London Daily *News* says the wealt of the United Kingdom is estimated $85,000,000,000, with a debt of $40,000 000,000, that is still increasing.

It is estimated that a deficit of $3,591 273,345 faces the United States Treasur by the end of fiscal year 1920. Total prob able expenditures are $10,831,201,585, t tal receipts $7,239,928,240.

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SUGGESTIONS
ON REQUEST

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

GENERAL ELECTRIC

W. R., India.—I would be glad to know the prospects of Canadian General Electric, as I have holdings in this company.

As regards Canadian General Electric, this Company is regarded as one of the most stable of Canadian industrial propositions with a splendid dividend record and a management which inspires faith in its ability to successfully shape its course to future developments. Canadian General Electric may be expected in a general way to reflect industrial conditions in Canada, and if these are healthy, as there is every reason to feel that they should be, dividends are assured and the stock, although probably subject to fluctuations from time to time, should continue to hold a strong position.

VICTORY BONDS

T. M., Ontario.—Are the War and Victory loans now on the market likely to be quoted any lower in the future? Do you advise purchasing now for investment? I am seeking this information particularly as I have to pay Dominion Income Tax.

As you are probably aware, the investment situation, particularly in relation to bonds, has been very unsettled since the decision of the Government to float another big loan this fall. Prices have slumped to a considerable extent. This has been a tendency noticed prior to previous Government flotations and the outcome has always been that prices have strengthened after the campaign. On this basis present prices are attractive. There is a chance, however, that now that the war is over the loan will not be so heartily supported as in the past, and that prices may not show the same tendency to recover. We understand that steps will be taken following this loan as following the last, to keep the market from slumping, and in this event the natural development would seem to be for the present issues to strengthen in price.

Present prices on tax exempt bonds should have particular attraction for the large investor. The larger the income, of course, the more important is this consideration. You do not intimate the proportions of your income or the rate of income tax you have to pay and this, it would seem to us would be the important point to consider in this connection.

INTERNATIONAL OIL

F. W., Vancouver.—I have received some circulars advising an investment in the shares of the International Oil and Gas Corporation. Would you advise placing funds in this venture?

While we are not in a position to give you specific information regarding the International Oil and Gas Corporation, we would say that you would be taking a safe course in having nothing to do with it. Since the ending of the war there has been a great boom in oil shares. One in a great many of these has made good, but in few cases has the public been in on these successes. For the most part the good propositions are immediately taken up by the Standard Oil or other big interests which are thoroughly alive to every development which is being carried forward. As the result of the boom in oil stocks generally, there have been many fake companies floated in the United States. Recently these companies have been turning their attention to Canada and some of them have gone so far as to advertise in Toronto papers, with the result that the Attorney-General took action and some half dozen were prosecuted in the court and some convictions were brought in with penalties imposed.

Without knowing sufficient about your standing to give specific advice regarding investments we would suggest that you make enquiries regarding the investment houses in Vancouver and discuss the situation with some reliable concern. We will be only too glad to advise you at any time regarding any specific proposition which you may care to lay before us.

CANADIAN PACIFIC

Subscriber.—What is your opinion of Canadian Pacific stock as an investment proposition for a long hold?

We consider the C.P.R. stock an excellent investment for a long hold, which is what you suggest. It would appear this this company has passed the worst stage, brought on by the war and increased costs of operations. For the first six months of the year the net revenue fell about $2,500,000 below that of the year 1918. The year 1918 itself showed a surplus of only about $2,300,000 with which to meet the regular dividends, paid on railway operations, namely 9 per cent. the rest of the dividends going from other services, such as the steamboats, the Western lands, etc. Thus at the end of the first six months of this year operating costs were so heavy that already the surplus that had been created last year had been wiped out, and if the company had gone on the same way for the rest of the year there would have been a deficit of over $2,500,000 if the regular dividend was to have been paid. In other words in order to continue its dividends the company would have been forced to fall back on its surplus. However, in July, the high percentage of operating expenses had been cut down and a surplus for the month secured of over $800,000. It is probable now that a good surplus will be the result of the year's operations.

With the development of Canada the revenue of the C.P.R. will grow steadily, and one of the most profitable factors will be its immense holdings of lands in the West. You can readily conceive of this by looking over the railway's report for 1918, which we are sending under separate cover. At the present market price, of 151, the stock pays almost 6 2-3 per cent. (10 per cent. per annum dividend), one of the highest yields of any listed to-day considering the magnificent organization behind it, Nor do we believe that the advocates of public ownership will ever become powerful enough to force this road under Government control. We believe this stock will go to much higher levels when conditions become more settled. In 1909, paying 7 per cent. dividends its high was 180; in 1911, paying 10 per cent., 245½; in 1912, 281½. Its low during the war was 128¾ during 1917.

CANADA CEMENT

V. H. M., Calgary.—Would be obliged if you could obtain for me the following information: What was the prevailing price of Canada Cement bonds on August 21, 1919? How many were sold and at what prices?

There was only one sale of Canada Cement bonds on the Montreal Exchange on this date, namely, $1,000 bonds selling at 100½. There was no session of the exchange in the afternoon owing to the presence in the city of General Sir Arthur Currie. The price bid at the close of the morning session on August 21, was 100 and 101½ was asked for these bonds.

SPECULATIVE PROPOSITIONS

J. W. M., Toronto.—I would like your opinion in regard to the enclosed projects. Are they reliable or are they some more wildcat schemes?

We regard both of these propositions as gambles. In neither case has it been proven that the prospecting work now going on will lead to anything tangible. Baldwin shares have sold as high as 30 cents on the Toronto Mining Exchange, but now it is impossible to get a quotation on them because they are not being traded in, though listed. In increasing the issue price of the shares five cents each week, the company is following a plan that has been adopted in similar flotations in the past of creating a market for the shares by the inducement of a possible rise in value. A rise in price, however, is not necessarily a rise in value. Unless the mine proves to have a good vein of gold, the shares may never reach even their present value price on the Standard Stock Exchange. We could point to other mines that have been financed in this manner—McIntyre for instance—where the original investors made tremendous profits, but for every mine that gave such a result there are many that never paid. Neither of the two propositions offers more than a fair speculative investment.

RSC INVESTMENT-SERVICE

"Exchange"

The current issue of *Investment Items* is devoted to an explanation of Foreign Exchange.

Among other topics, it discusses the following, "What Is Exchange?"—"The Gold Shipment Limits"—"The Triangular Relation"—"The Advantages of Adverse American Exchange"—"How Adverse American Exchange Can Be Remedied"—"Why Great Britain Does Not Support Sterling Exchange."

The issue is of timely interest to every business man and Investor.

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STEEL STRIKERS LED BY ADVOCATE OF BRUTE FORCE

William Foster, Strike Organizer, Not Frightened by Outpour of Blood—Is in Favor of Sabotage and Lauds Violence

THE FINANCIAL POST pointed out last week that William Z. Foster, the mainspring of the United States steel strike, is an ex-I.W.W. organizer, a syndicate and an advocate of bloodshed and brute force. There is plenty of proof of this. Earl C. Ford and Wm. Z. Foster are given as the authors of a book called "Syndicalism." In the last paragraph of the book these words are found: "All workmen interested in this movement to place the American labor movement upon a Syndicalist basis, can secure full information by communicating with . . . . ." and here follows Foster's address.

This matter has been put squarely before Foster. George Smart, one of the editors of Iron Age, went to Pittsburgh and after finding Foster's office, put the accusation straight to him. In Mr. Smart's own words:—

"I said to Foster that I understood he was the man who, at the meeting of the American Federation of Labor in St. Paul, in 1918, introduced a resolution providing for organization of the steel workers and that since he had been in charge of the organizing campaign; that at one time he was an active organizer of the I.W.W. and in 1911 was sent to Europe by that organization and spent much time in France, Germany and Austria-Hungary, mingling with radical laborites; that he was one of the authors of a book on 'Syndicalism'; that he appeared at Budapest, Hungary, in August, 1911, and attacked the credentials of James Duncan, first vice-president of the American Federation of Labor, as a delegate of the trade unions of the United States, making a vigorous effort to obtain a seat in the convention on the representation that the I.W.W. was the labor organization of the United States; that during his stay in Europe he was a regular contributor of 'Solidarity,' the organ of the I.W.W., and after returning to the United States became a candidate for editor of 'Solidarity'; that failing in his ambition, he announced that he would no longer remain in the I.W.W., but would join the A. F. of L. and 'bore from within'—that is, get into the stronger organization and inoculate it with his theories."

From evidence produced those charges stand as made. The book published by Ford and Foster is the rankest piece of revolutionary propaganda let loose yet. Here are extracts:—

"Another kind of sabotage widely practised by Syndicalists is the tactics of either ruining or turning out inferior products. Thus, by causing their employers financial losses, they force them to grant their demands. The numerous varieties of this kind of sabotage are known by various terms, such as 'passive resistance,' 'obstructionism,' 'pearled strike,' 'strike of the crossed arms,' etc."

Again speaking of the industrial revolution:

Bloodshed

"Another favorite objection of ultra legal and peaceful Socialists is that the general strike would cause bloodshed.

"This is probably true, as every great strike is accompanied by violence. Every forward pace humanity has taken has been gained at the cost of untold suffering and loss of life, and the accomplishment of the revolution will probably be no exception. But the prospect of bloodshed does not frighten the Syndicalist worker, as it does the parlor Socialist. He is too much accustomed to risking himself in the murderous industries and on the hellish battlefields in the niggardly service of his masters, to set much value on his life. He will gladly risk it once, if necessary, in his own behalf. He has no sentimental regards for what may happen to his enemies during the general strike. He leaves them to worry over that detail."

One of the most revolting things in the book of which Foster is joint author reads as follows:

Neo-Malthusianism

"The Syndicalist is a 'race suicider.' He knows that children are a detriment to him in his daily struggles, and that by rearing them he is at once tying a millstone about his neck and furnishing a new supply of slaves to capitalism. He, therefore, refuses to commit this double error and carries on an extensive campaign to limit births among workers. He has been a powerful factor in reducing births in France, which, according to recent statistics, are annually 35,000 less than the deaths. He is turned from his course neither by the inspired warnings of physicians nor the paid appeal of patriots. He has no race pride and but little fear. He sees in 'race suicide' an effective method of fighting his masters; therefore, he uses it."

The man who wrote these extracts is the organizer of the big strike, the secretary of the strike committee and the man whose word is law with the thousands of foreign-born steel workers who are out on strike to-day.

AN ANALYSIS OF CONFERENCE OF CAPITAL-LABOR

Continued from page 1.

and estimates presented by the employers, but he also urged the latter to give "very careful consideration and study" to the statements on the part of labor.

The Eight-Hour Theory

Although Mr. White was not referring to any particular speaker, there is one statement on behalf of labor, made by John W. Bruce, which is more or less typical of one set of arguments on behalf of the short working day.

"At the opening of the conference," said Mr. Bruce, "the Prime Minister, in dealing with the problem, said that the physical development and the welfare of the workers should not be sacrificed for the development of industry—a remark which you gentlemen generously applauded. Hon. Mackenzie King also made this statement, 'Industry exists for the sake of humanity, and not humanity for the sake of industry,' and you applauded that. I am going to make a statement, and I do not know whether you will applaud it or not. If we are to have a higher type of civilization, human beings must not be sacrificed for the development of an unjust economic order."

Some delegates: "Here, hear."

Mr. Bruce: "If these statements are concurred in, then, while men are out of work, and are unable to secure work, the hours of labor are all too long, and we must at least attempt to adjust that condition."

In addition to these "humanitarian" appeals, labor speakers advanced arguments to show that a reasonable reduction of hours would not curtail production. Employers were not convinced on this point, but they will think about it more closely than in the past.

Food For Thought

Widest possible distribution of the verbatim reports of the conference is desirable. There are only 234 printed pages. A careful and leisurely reading of this material will give an idea of the scope and spirit of the gathering that no fragmentary newspaper reports can possibly convey. Labor men should read this evidence, for they will find here not only an intelligent presentation of their own case, but also of their employers'. They will the more easily realize the complexity of the problem and perhaps have more sympathy with those who, whatever may be the theories for the future, at present are responsible for the management of industry.

Employers everywhere should read the evidence with the greatest care, and with the most open mind. They too, if they are honest with themselves, will recognize the complexity of the situation. This means, for them, realization that labor, too, has a case, and that the whole status of industry must be earnestly canvassed.

The general public, too, should acquaint themselves with the proceedings, for not only will they learn, in compact and authoritative form, the views of employers and employees, but they will see more clearly than before, that the community is interested in industry, and that the rights of the consuming population must be safeguarded along with those of other classes.

Negligible, harmful or salutary?

There are the questions presented at the beginning.

Surely "salutary" is the winning word.

DINED TOO WELL AND TALKED TOO MUCH

Racy Story About Henry P. Davison Going Rounds of U.S. Financial Circles

A racy story to the effect that Henry P. Davison, of J. P. Morgan & Co., is persona non grata to the Wilson administration, with the consequent rejection of his plan of financing Europe is printed by the American Banker, which announces in the same issue that Mr. Davison has just been decorated with the D. S. M. by Secretary Baker, while the Federal Reserve Board disclaims knowledge of his plan. The story, which is based upon the idea that a good listener is sometimes a compromising talker when unleashed and that wine often does the unleashing, follows:

H. P. Davison, of J. P. Morgan & Co., is known for attentive ear, shrewd reticence and laconic and infrequent speech. He is one of the not too many men who is as astute as he looks.

His few words and astuteness were two of the qualifications which persuaded a Chicago banker to recommend him to President Wilson for the unqualified position of financial adviser to the Administration.

Before the war, finance was already convinced that President Wilson was inadequately posted on financial and on industrial affairs; was ignorant of the ways and sentiment of the former, misinformed on the latter. Mr. McAdoo's experience in finance was considered too brief and too unfortunate to make him an impartial judge of the financial district. John Skelton Williams' experience was still briefer and deemed even more ill-starred.

Some one representative of the banking and investment interests of the country should be available to the President, one who could tell the Chief Magistrate how bankers and investors viewed certain economic problems. Such a counsellor was suggested to the President by Edmund D. Hulbert, president of the Merchants Loan & Trust, Chicago (one of the few bankers with whom the President is acquainted, the only one probably in whom the President has confidence).

The President finally acquiesced in the suggestion. Mr. Hulbert recommended H. P. Davison.

The President approving of the recommendation, the Chicago banker (highly elated over the rapprochment of finance and the Administration) boarded a New York train to notify J. P. Morgan & Co. Mr. Davison at the time was in Paris.

On the train, nearing New York, Mr. Hulbert was handed a New York newspaper in which there was an interview with Mr. Davison that shocked the Chicago banker to speechlessness.

It appeared that Mr. Davison had dined, as Americans often dine in Paris—a little too well. In the immediate afterglow of that dinner Mr. Davison expressed views (to the Paris correspondent of a New York paper) of President Wilson and his Administration which were fascinating, but in an extreme degree uncomplimentary.

Mr. Davison was not made an intermediary. Nobody was made an intermediary. The President was disgusted and his entourage rendered more or less resentful. The President decided to continue to lean on Messrs. McAdoo and Williams for financial information and conclusions.

That colorful interview stuck in Washington, and when Mr. Davison's plan of relieving the foreign exchange situation came to the capital for approval it was negatived. There are resentments which take no heed of national emergencies.

J. Gordon Greenshields
Richard O. Johnson
Russell D. Bell
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THE TAPE WILL TELL

American Metal Market

The tape always furnishes information, but there is a particularly important question that men have been asking for months past that the tape is certain eventually to answer. That is, whether or not the value of property will adjust itself to the depreciated dollar.

There has been a conflict. The "wealth" of the country as given according to the last census, dated in Government statistics as "1912," was $188,000,000,000, and by the natural rate of progression, with some allowance for slower increase in the creation of physical assets during the war, the wealth would now be between $225,000,000,000 and $250,000,000,000. Commodity prices, however, are at something like double their level when the wealth was last counted up. As to commodities, and as to wages, the dollar is worth not more than half as much as formerly. If the wealth of the country were valued at no more than when the dollar had its former value, commodity prices and wage rates could not stay at their present level. A more natural way of putting precisely the same thing would be to say that if commodities and wages are to stay up the wealth must be appraised at a corresponding increase. If the dollar is worth only 50 cents according to previous standards, in the case of commodities and labor, then the same change must occur as to the "wealth" of the country for the two cannot stay apart.

Men have been wondering how the adjustment, certainly imperative, will be made. While the adjustment is imperative there is no precise time limit. It would not have to occur in three months or necessarily in a year. If, however, through all the future, the dollar is not to be worth more than one-half as much as formerly, in buying commodities or labor, then the material wealth of the country will be marked up. The tape will give the first indication of the process. Minor or temporary fluctuations are not to be considered, but in the long run the tape will tell the tale, and will furnish the information sooner and more accurately than it can be obtained through any other channel.

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NEWS OF THE BOND MARKET

SOME INVESTORS CLEARING DECKS FOR NEW LOAN

Liquidation of Outstanding Issues Would Indicate This

TRAIL SELLS IN U.S.

British Columbia Municipality Gets Better Than Par For Seven Per Cent. Twenty-Year Issue

There is, and will be for the next six weeks, little to be said about the current bond market. The whole system of marketing machinery throughout Canada has been placed at the disposal of the Government and no soliciting is being done. Some little over-the-counter business is being done on inquiry, but even in the case of one Toronto firm which has not entered into the general arrangement with the Government, THE FINANCIAL POST is informed, the general policy of the Bond Dealers' Association is being followed. Under the circumstances the tone of the market, although not strong, may be regarded as comparatively firm. The unsettled outlook is, however, inducing some firms with holdings, to shade off their prices rather than carry through. As to when the market may be expected to strengthen is a matter upon which there is a considerable difference of opinion. Some dealers expect that there will be a recovery almost immediately following the flotation of the loan, as after past campaigns, while others believe that the depression may be protracted. The measure of success of the campaign will, however, undoubtedly be the deciding factor in this connection as it will give a good indication of the available funds and the public attitude.

Trading in Victory and other Government war bonds has been in considerable volume of late. The market has held pretty steady and it is hinted that the "committee" may be a factor in the situation. The movement is evidently being participated in by both comparatively small investors and large corporations. Both of these classes are little concerned with the taxable feature of the new issue, and they have an opportunity at this time of realizing the premium on their holdings and getting back in on an attractive basis. With the large corporations there is the added factor that they will be looked for to live up to past records in subscribing to the new loan.

Both Government and other bonds offer attractive propositions to the investor. Whether recovery may be soon or delayed for some months, the fact remains that it will be only a comparatively short time until higher prices prevail and the present offerings will be regarded as bargains. This should be particularly the case with the large investor who has a comparatively heavy income tax to pay and the tax exempt bonds which are now being liquidated.

Trail Makes a Sale

While for the most part Canadian municipalities find the market closed and will have to depend upon bank credits temporarily or arrange local sales, Trail, B.C., has been successful in placing an issue in the United States. This issue of $15,500, 7 per cent., half yearly, 20 years for civic improvements, was sold to the Spokane and Eastern Trust Company, of Spokane, Wash., at a price of 100.22 and accrued interest. Following is a list of tenders received:

Spokane & East. Trust........	100.22
A. F. Carrothers	98.75
J. D. Anderson	98.50
Waghorn, Gwynn & Co........	98.06
National Bond Co.	90.10

VICTORY LOAN IN EAST

Nova Scotia Organization Now Hard at Work

By Special Representative

HALIFAX.—The Victory Loan committee has got down to hard work in Nova Scotia and they will no doubt achieve the objective of $17,000,000, which has been set. The last loan called for $25,000,000 from this province, and it went to $30,000,000. There is a sort of a feeling this time that the accomplishment of the plain objective will be satisfactory and is all that likely will be done. Mr. Heward has been chosen as secretary and his expert financial knowledge will help him out in the work that is to be done. As previously stated, G. S. Campbell is the chairman, and as he is the man who guided the loan to success last time, there seems no reason to fear that he will not be able to a again attain success. The chairman of the publicity committee is Dr. J. Logan, formerly of the Toronto News staff, and one of the best known musical critics in the country. What he will be able to do when the question comes down to one of cold dollars and cents, so far beneath the realm of art, remains to be seen, but his versatility gives cause for believing that success will perch on the banners of the publicity man as well as on those of the committee as a whole. Nova Scotia has a population of half a million, and even $17,000,000 from so small a number is an undertaking that a few years ago would have been considered a wild dream of the imagination and not a real thing which in two months will be demonstrated. What has been done in the recent past is an omen of what will be done at the end of October.

QUEBEC SHOWS SURPLUS

City's Population Has Increased By Five Thousand

For the first time in many years, the annual report of the Quebec City Treasurer does not show a deficit. This year there is a surplus of $20,459.44. Ordinary receipts of the city amounted to $1,707,436.49 and the ordinary expenditures $1,686,977.05.

The debt of the city, as at May 1, 1919, is given as $14,975,647.87, against which there is a sinking fund of $325,303.73, leaving the net debt at $14,650,344.14. The census returns attached to the report show an increase of over 5,000 in the population of the city, which now stands at 108,376, as against 103,246 last year. There are 96,128 French Canadians in Quebec.

THE LOAN CAMPAIGN

Preliminary Work Is Now Well Under Way

The Dominion Special Subscriptions Committee has opened an office at 12 King Street West, Toronto. This committee looks after all subscriptions of $25,000 and over, thus saving the Government the many thousands of dollars it would take to pay the one-half of one per cent. commission on the subscriptions of the banks, insurance companies and millionaires if they were written up through the ordinary canvassers. J. H. Gundy is chairman and P. P. Cowans, of Montreal, vice-chairman of this committe.

W. J. Taylor, chairman of the Canadian Press Association, is in charge of the Dominion news service. Frank D. L. Smith, formerly editor of "The Times, Toronto, is chairman of the Ontario newspaper committee, and W. Nelson Wilkinson, formerly of the Toronto World, and lately of the Halifax Herald, is editor of the feature service.

MONTREAL BROKERS IN QUEBEC

Thornton, Davidson & Co. Open Up a Branch Office

Thornton, Davidson & Co., members of the Montreal Stock Exchange, announce the opening of a branch office in Quebec, at 81 St. Peter street, under the management of A. J. Carpenter. Within the next few days the company expect to have in operation a private wire direct to Montreal and New York in order to facilitate the handling of telegraphic transactions and for the convenience of their clients.

TOO MUCH PAPER MONEY

Intensive Production Needed to Replace Riches Lost by War

WASHINGTON.—Ambassador H. C. Wallace, at Paris, reports that National Federation of Co-operative Societies of France has made public a long communication setting forth its point of view on high cost of living. In doing so, Federation calls on Government to diminish paper currency, to give to business men definite programs, which are now lacking, and to replace by intensive production, riches destroyed by war.

CORDAGE CO. GETS LOAN

British Columbia Gives Financial Assistance to Returned Men

A loan of $200,000 was made by the British Columbia Provincial Government to the Canada Western Cordage Company, Ltd., of New Westminster, a returned soldier enterprise. The loan is made in accordance with an act passed at the last session of the Legislature and is to be used for the erection of a cordage factory and the installation of machinery. It is provided that the company shall subscribe for stock to the extent of $100,000, 60 per cent. of which is to be paid up.

HAMILTON'S ASSESSMENT

Hamilton assessors report the city's assessment at $93,682,840, an increase of $5,415,645 over last year's figures. Part of this increase, amounting to $1,379,200 is due to the expiration of the fixed assessment on the Canadian Westinghouse Company. There is a decrease in the city's population of 1,994, but this is stated to be due to the emigration of a large block of the alien population of the city.

THINK PROVINCES SHOULD SUPPORT MUNICIPALITIES

Spitzer, Rorick & Co. Express Views on Prince Albert Settlement

QUESTION OF CREDIT

Argument That It is Worth Millions to All Municipalities to Maintain the Foreign Bond Market

The basis upon which the settlement in connection with Prince Albert's default of bond interest was made recognized the strength of the argument that the municipality should face the issue on its own feet; that it would be a dangerous precedent for the Government to assume responsibility. It is not to be wondered, however, that a different view of the matter may be held by investors—particularly foreign investors—in Canadian municipal securities. Reflecting this "outside" opinion is an interesting communication to the editor of THE FINANCIAL POST from Spitzer, Rorick & Company, of Toledo, O., an investment firm which has been responsible for the flotation of a large number of Canadian municipals in the United States.

The contention is strongly made that the Provincial or Dominion Governments should come to the rescue of the few municipalities in Western Canada which have been placed in an awkward financial position, largely through war conditions, and that, by rendering aid, millions could be saved to Canadian municipalities as a whole by sustaining their credit on foreign markets. The letter follows:

We have read with interest the article in your issue of September 13 under the heading, "England criticizes Prince Albert's Financing." No doubt this Prince Albert settlement will have a serious effect upon future municipal financing in England and the United States. This settlement has been severely criticized by investors in this country and the unfavorable attitude has already found expression in discriminating legislation.

The Legislature of the State of Ohio passed a law which went into effect July 11, 1919, restricting investments by banks in Canadian municipal debentures to those issued by cities having a population of 10,000 or over with a net debt not exceeding 7 per cent. of assessed valuation. This law excludes entirely debentures issued by school districts and all other Canadian district debentures. The bill as introduced provided that banks could invest only in Canadian municipals where a city had a population of 100,000 and net debt not exceeding 5 per cent. Through the efforts of some of our financial institutions interested in Canadian debentures, this limitation was changed to cities of 10,000 population, with a 7 per cent. net debt. This law authorizes banks to invest in American municipals with a ten per cent. net debt and a population of 1,000 or over.

We understand that the Dominion and the Provinces are not legally obligated to take care of municipalities, yet we believe it to be in their financial interest to do so. Canadian municipalities will continue to grow and expand and be in need of considerable money to finance future public improvements, and will issue a large amount of municipal debentures in the future. They will probably be able to sell these debentures at a price, but the credit and standing of Canadian municipalities will determine the rate of interest which these debentures must bear. Should the Dominion and the Provinces look after the municipalities and tide them over their present difficulties without the loss of the principal or interest to the debenture holders, Canadian municipals would enjoy the highest credit and be able to borrow money at low rates of interest; over a period of years, the difference between good credit and poor credit for Canadian municipalities would amount to millions of dollars in the difference in interest rates. We believe that the Dominion or the Provinces could well afford to guarantee a long-term debenture of the cities having financial difficulty and exchange these with the holders of defaulted debentures. This could be done in many cases without ultimate loss of a dollar to the Dominion or the Province guaranteeing debentures, and this would save the credit of Canadian municipalities and relieve the holders of the debentures of serious financial loss.

For several years the fact that no Canadian municipality had permanently defaulted and that no holder of Canadian municipal debentures had lost a dollar was given wide publicity in the United States, and the fact that the Provinces in many instances had assisted municipals and prevented loss was the means of securing a high credit rating for Canadian municipals.

Our firm has distributed more Canadian municipal debentures than any other firm in the United States and this Prince Albert settlement, together with other defaults in Saskatchewan, has had a very serious effect upon our market, and as these matters are given further publicity the effect will become more serious.

It is our best judgment that the Dominion and the Province can save millions of dollars for all municipalities in Canada by promptly taking hold of the few cities in Western Canada, which through effects of the war have had financial difficulties, and we also believe that this can be done without ultimate loss to the Dominion or Province.

The credit of Canadian municipals demand that some action be promptly taken by the Dominion or Provincial officials.

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LIMITED
DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one per cent. (1%) for the quarter ending September thirtieth, 1919, has this day been declared upon the Capital Stock of this Company, payable on Wednesday, the fifteenth day of October, 1919, to Shareholders of record at the close of business September thirtieth, 1919.

By Order of the Board of Directors.
F. E. McNALLY,
Assistant Secretary.

Montreal, September 22nd, 1919.

VICTORY LOAN 1919

"... My aspiration is.. that the final war financial effort of this country shall be as completely successful as the final effort of our boys overseas."

—*Sir Henry Drayton*

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TENDERS
DEBENTURES---TOWN OF SMITH'S FALLS

TENDERS will be received by the undersigned, until 6 o'clock P.M., Monday, October 6th, 1919, for $14,300.00 Hydro-Electric Debentures, 20 instalments, bearing interest at Five and One-half per cent. per annum.

J. A. LEWIS,
Town Clerk.

To Shareholders of The Imperial Oil Company Limited

IN accordance with the provisions of By-law No. 174, passed and enacted June 19th, 1919, and approved and confirmed by shareholders at the Special General Meeting of July 2nd, 1919, the par value of the outstanding shares of the Company has been changed from $100.00 per share to $25.00 per share, and certificates for four shares will be issued for each share of the $100.00 par value of the outstanding stock.

Pursuant to a By-law and Amended Letters Patent, the name of the Company has been changed from The Imperial Oil Company, Limited, to "Imperial Oil, Limited"; therefore the certificates you will receive in lieu of the certificates that you surrender to us will go forward to you in the name of "Imperial Oil, Limited."

Kindly therefore send by registered mail, on or after October 1st, 1919, addressed to the writer or to James H. Archbold, Assistant Secretary-Treasurer, Room 807, 56 Church Street, Toronto, Ontario, your registered stock certificates or bearer share warrants, listing same on the enclosed form, and completing form in all particulars.

W. T. McKEE,
Secretary.

At Blenheim, Ontario, a 200-acre farm belonging to L. D. Mitton was sold for $30,500. Nelson Clark, of Raleigh Township, was the purchaser.

FIELD OF MUNICIPAL FINANCE

ALDERMEN CAN BE MADE TO PAY FOR OVERDRAFTS

Illegal For Aldermen to Spend Money Not Provided by Estimates

TORONTO'S EXAMPLE

Queen City Overdraft Already $400,000, Which Means Two-Thirds of a Mill Added to Next Year's Taxes

When Thomas Bradshaw, Finance Commissioner of Toronto, sent a letter to the Board of Control last week protesting against the alarming extent to which overdrafts have been permitted this year in the city's expenditures, he merely repeated what financial men have been telling the municipalities for a long time, that no city council has any right to burden the next year's taxpayers with any expenditures not provided for in the current year's estimates. Not only is it bad finance but it is illegal. In Ontario, the Municipal Act is very vague on the point, though it specifically states that when a city council authorizes expenditures from the sinking fund, each member of the council passing that resolution becomes personally responsible for the amount of the expenditure so made. Opinion has been expressed that if a test case were taken to a court of law that members of a city council authorizing an overdraft could be made personally responsible for such expenditure, just as in the case of disbursements from the sinking fund.

As a matter of fact, the piling up of overdrafts has not been common among the smaller municipalities of Canada. The larger the municipality, the freer the city aldermen have been in spending money that their successors in office would have to find. Very seldom does a village or town present an overdraft in its estimates. But the larger cities, and Toronto and Montreal in particular, have been very lax in this regard. In Montreal, until about a year ago any expenditures that the aldermen had forgotten to provide for in the estimates were met by the simple expediency of a loan. This has been changed, as was pointed out in THE FINANCIAL POST last week, and saner methods of financing adopted in the Quebec metropolis. Toronto, too, has occasionally made expenditures on capital account along the former Montreal principle, largely in connection with local improvements. This year $200,000 has been added to the city's debt by expenditures which small in themselves, have added considerably to the city's debt carrying charges. There is also in prospect a stadium scheme which will mean at least $53,000 added to the city's debt, and possibly over $100,000.

Two-Thirds of a Mill

How small over-drafts, few of them amounting to over a couple of thousand dollars, mount up, is clearly illustrated by Toronto's record so far this year. With only eight months of the year gone, Toronto has spent $392,918.81, that was not provided for in the year's estimates. As the last four months of the year always present the largest number of overdrafts, it is evident that it would not take many sessions of council to bring this total up to around $600,000, which means one mill on the 1920 tax rate over and above what it should be. At present the amount will take 2-3 of a mill of next year's rate. The overdraft is already larger than any previous overdraft in the city's history, and outside of a large item for additional police estimates amounting to $76,000, is made up largely of grants for soldiers' receptions, grants to various organizations, payment of claims against the city and other similar items. There is scarcely a single one that could be classed as an absolutely essential expenditure.

"If Canadian cities refuse to obey the law in this respect and continue to allow overdrafts to accumulate, the market value of their securities will be affected," an expert in municipal finance told THE FINANCIAL POST.

Offers wanted by Oct. 4th, for Telephone Co. 8% debenture bonds ($3,800.00). Repayable in 15 equal annual instalments of principal and interest.

Apply to
Victor Rooke,
Sec.-Treas.,
Graham Chatsworth
Tel. Co.
Saltcoats, Sask.

ALDERMEN LOSE SEATS

Mistake in Winnipeg Charter Necessitates Council's Re-election

By a remarkable accident in revising the city charter of Winnipeg at the last session of the Manitoba Legislature, the entire city council of that city goes out of office at the end of this year. Seven of the aldermen had been elected to serve for two years, and ordinarily their term would not have expired until December 31, 1920. It is now found that the clause in the charter providing a two-year term for certain aldermen was inadvertently left out. Unless the aldermen are re-elected at the next election, they will not be able to legally hold their seats in council.

Hon. Edward Brown, Provincial Treasurer, has issued a writ against the city for $50,000, claimed for overdue taxes. The city intends to strenuously fight the payment of the claim.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Sept. 29, Three Rivers.—$80,000, 6 per cent., interest payable semi-annually, 30 years.—Arthur Nobert, Treasurer, Three Rivers, Que.

Sept. 29, Coronation, Alta.—$3,000, 6 per cent., epidemic debentures, repayable in five equal annual payments.—R. T. Cunliffe, Sec.-Treas., Coronation, Alta.

Oct. 6, Smith's Falls.—$14,300 Hydro-Electric debentures, 20 instalments, 5½ per cent. —J. A. Lewis, Town Clerk, Smith's Falls. (See announcement on page 13.)

Oct. 4, Saltcoats.—$3.800, 8 per cent. debenture bonds for telephone company. Repayable in 15 equal annual instalments.—Victor Rooke, Sec.-Treas., Grahame-Chatsworth Rural Telephone Co., Saltcoats, Sask. (See announcement on page 13.)

BY-LAWS TO BE VOTED ON

Sept. 30, Vancouver. — $465,000, for school purposes; $100,000 for road work, etc.; $160,000 for repair of Connaught Bridge, etc.

Nov. 28, Winnipeg.—$600,000 for municipal milk scheme.

Oct. 3, Minnedosa, Man.—A by-law to authorize the purchase of an adequate lighting system for the town, and issuing of debentures for that purpose.

Oct. 17, Ingersoll.—$120,000 for the erection of a sixteen-roomed central school.

BY-LAWS PASSED OR DEFEATED

West Nissouri.—$22,000 for continuation school purposes. Defeated by 336 to 153 on Monday, September 15.

Windsor.—$15,000 for motor fire engine; $30,000 for new sidewalks. Passed on September 20.

Orillia.—$24,000 for waterworks extension and improvements. Passed by Council on Sept. 8.

Glenboro, Man.—$4,000 for the purpose of erecting a curling and skating rink. Passed by ratepayers on Sept. 12.

Russell, Man.—$10,000 debentures, 7%, 15-year, for construction of rink. Passed by the ratepayers on September 15.

DEBENTURE NOTES

Windsor. — The proposal to grant Fisher Body Company a fixed assessment of $10,000 for ten years on a projected $150,000 factory which was recently submitted at a special election, was approved of by a vote of 486 to 97.

Kingston. — Kingston Public Library Board will ask the City Council for $20,000 and private citizens for another $20,000 to augment the $10,000 donated by George Y. Chown for the erection of a new public library building.

Toronto.—That he would move to introduce at the City Council meeting on Monday that a by-law to raise $5,000,000 for car line extensions and the building of a car factory in Toronto was recently announced by Mayor Church.

Peterborough.—A deputation from the Board of Education recently waited upon the committe of the whole council and succeeded in getting them to pass a resolution recommending the Council to pass a by-law for the expenditure of $240,000 by the issue and sale of debentures for the purpose of erecting a new public school.

Riverside, Man.—The rural municipality has authorized the sale of $84,500 30-year, 5 per cent., debentures for good roads.

Hamilton.—The city council has sanctioned the issue of debentures covering the cost of school improvements for $98,775.

Glencoe, Ont.—The municipality will be required to authorize a debenture issue of $18,000 extending over twenty years, for hydro purposes.

Woodstock.—The city council has purchased four lots in the East end of the city to be used for the purpose of playgrounds for the children. The cost is in the neighborhood of $1,500.

BOND SALES

$3,600 Asbestos at 78 to 77; $500 Bell Telephone at 95½; $1,200 Cedar Rapids at 88 to 87; $500 Can. Cement at 99¾; $6,000 Can. Cons. Rubber at 96; $1,000 Dom. Cotton at 99¾; $11,000 Dom. Textile at 100 to 99¼; $5,000 Elect. Development at 91; $2,000 Montreal Trams at 71½; $3,600 Montreal at 102 to 101¼; $5,000 Nat. Breweries at 100; $9,200 Ogilvie at 103 to 100; $2,500 Penmans at 89; $69,000 Quebec Rly. at 64 to 63; $3,000 Riordon at 96; $500 Sher.-Williams at 104¼; $9,000 Steel of Canada at 98 to 96; $1,000 Span. River at 105; $10,000 Rio Janeiro at 80 to 78; $10,700 Wayagamack at 85½ to 85¾; $409,750 Victory Loan (1922) at 100⅝ to 100¼; $600,550 (1923) at 100⅝ to 100¼; $91,250 (1927) at 102¼ to 102; $849,800 (1933) at 104 to 103¾; $340,950 (1937) at 105¼ to 104⅝; $24,500 War Loan (1925) at 98 to 97⅝; $22,300 (1931) at 99¼ to 98⅝; $59,600 (1937) at 100⅝ to 100⅛.

COMMISSION GOVT. GETS TWO BOOSTS SARNIA WANTS IT

And Toronto Bureau of Municipal Research Points Out Its Advantages

ITS FORMS VARY

Usually There is a Commission of Five, Each Member Being the Head of a Department

Sarnia business men are boosting for the installation of the commission form of government in that city. The estimate has been made by the chairman of the local finance committee that with a manager form of commission government, the city would save $10,000 on its yearly administrative expenses. Most of the business men of the town who have expressed opinions on the matter, favor the manager system of local government; few of them came out for the usual form of commission government, which is described in a pamphlet issued by the Toronto Bureau of Municipal Research.

More than 600 American cities have adopted the commission form of government, it is stated in the brochure. The pamphlet discusses the advantages and limitations of this form of municipal government as it would work out in Canada, but points out that since Canadian municipalities have never made a practice of electing civic officials, other than mayors and members of council, a great many of the benefits to be derived by American municipalities under this plan already exist in our methods of government.

What the System Is

Commission government, briefly explained, consists in vesting all the executive and legislative powers of the municipality in a small body of men, usually called a commission. The commission acts collectively in a legislative capacity, and individually in an executive capacity. Usually there are a mayor and four commissioners, all of whom are elected at large for a period of from two to five years, two years being the most common. The activities of the city government are divided to suit local requirements, each department being presided over by a commissioner. A usual division is:

Department of Public Affairs—Mayor.

Department Public Safety—Commissioner.

Department Public Improvements—Commissioner.

Department Parks and Public Property—Commissioner.

Department Accounts and Finance—Commissioner.

The electors do not, as a rule, choose the commissioners with reference to the department to which they are to direct, the appointment usually being made by the mayor on the advice of the commission in general. The present system of directing education would be retained.

Its Advantages

Numerous advantages are claimed for Commission Government. It simplifies the structure of the city government, leads to better financial control and enables the city to conduct its business more promptly. By placing each commissioner in charge of a definite department and making him responsible to the people for its proper and intelligent management, it gives conspicuous responsibility, and, hence, accountability of all elected officials to the people. The initiative referendum and recall, which are nearly always part of the Commission Government scheme, permit active citizen participation in civic affairs.

On the other hand, the scheme has its limitations. Placing each commissioner in charge of one branch of the civic government is not conducive to harmony and divides the city into five small governments. Election is a poor method of obtaining trained and competent officials. It gives the clever politician the advantage over the trained specialist. In any event, a commissioner who has to prepare the ground for his re-election will be campaigning a good deal of the time that he should be busy on civic affairs.

Stratford's assessment for 1919 is $11,686,955, which is $363,980 more than in 1918. The population of the city has increased from 17,143 to 18,106.

Edmonton has taken over the city power plant, following a notice from the solicitor for the Alliance Company that operations at the plant would be suspended because of its inability to obtain the desired increase in rates.

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INVESTORS' INSURANCE NOTES

ACCIDENT BOARDS FAVOR FUND PLAN OF COMPENSATION

Oppose Insuring With Casualty Companies on Account of Expense

ONTARIO'S EXPERIENCE

Cost of Administering Fund in This Province Less Than Two Per Cent. of Total Assessments

Workmen's compensation laws are in effect in forty-four states of the Union and six provinces of Canada. All have as their main idea the compensating of workmen for any loss they incur as the result of industrial accidents. All are definite and uniform on that point, but when the question of assuring the workmen that they will receive compensation is looked into it is seen that the laws are not so uniform. Some states provide a general fund out of which all claims are paid. Sometimes, the employers provide the fund by annual payments and in other cases employees, too, are called upon for regular contributions. In most cases, however, the employers' liability scheme is in effect. The employer is made liable for accidents to his workmen whether incurred through their own negligence or not, and he is usually required to insure in a reputable insurance company. Six states of the Union, but none of the Canadian provinces, have neglected to make provision for enforcing the payment of the claims.

The good points of both the general fund scheme and the employers' insurance scheme were debated at the convention of the Industrial Accident Boards in Toronto this week. It was the general consensus of opinion that the general fund scheme is the cheaper of the two, as the overhead charges are much smaller, but several exponents of the insurance plan pointed out that all the evils that beset a public ownership scheme are also the lot of the general fund system of compensation. On this subject, Samuel Price, chairman of the Ontario board said:

"The collective liability system undoubtedly has many and very great advantages, but if it is to be a success it must be conducted strictly upon business principles and with efficiency, fearlessness, and impartiality. Such administration is beset with dangers and difficulties. Looseness, extravagance, and indirect influences are too apt to creep in. A high sense of public duty and courage and determination on the part of the administering body, as well as integrity and capability, are needed to steer a straight and even course, and barnacles must not be permitted to impede or encumber the ship.

Keep Out Politics

"One of the pitfalls is partly favoritism. Some of the politicians think the Act should be administered for the benefit of themselves and their friends rather than in the interest of the workman and employer or of the community at large."

But though he pointed out the evils of the collective system, Mr. Price favored it rather than the individual insurance system. Forty per cent. of premiums paid to insurance companies is consumed in expenses, and profits, he said. On the other hand expenses only took 1½ per cent. of the assessments paid by Ontario employers last year, under the general fund plan. The remainder was for actual benefits to workmen. Mr. Price also said:

"The objection that under the compulsory and exclusive State system the careful employer has to contribute for the accidents of the careless one can be met by a reasonable system of merit rating and by inspection and accident-prevention work, which with us is carried on by associations of employers organized under the Act, and our Act also provides for special assessment upon the careless employer, which we have not hesitated to put into effect in flagrant cases. And when the rates are so much lower than under the other system the objection at all events loses most of its force.

"We have found we can settle and pay compensation more promptly and with less trouble under the collective system than under the individual liability system, though in the latter much depends upon the attitude of the employer or the insurance company."

Does Claimant Suffer?

On the same subject, John Mitchell, chairman of the New York State Industrial commission, said:

"The experience of the New York Commission with regard to direct settlements during the past four years has revealed the purpose of the representatives of the insurance companies to protect the financial interests of their employers, all too frequently at the expense of the claimant. In the nature of the case the necessity of the stock company to make a profit is in opposition to a full and liberal award; and the desire of mutuals to show large dividends is hardly less an obstacle."

Figures were introduced by E. E. Watson, chief actuary of the Ohio Workmen's Compensation Commission, purporting to show that compensation paid under the state fund system costs on an average 40 per cent. less than under insurance in private stock casualty companies.

INSURANCE MEN AND LOAN

Will Again Take Prominent Part In Campaign

Insurance men throughout Canada are planning to take as active an interest in this year's Victory Loan as in the past. In 1918, 6 per cent. of the insurance men in Canada were selling Victory Bonds, and this year probably a higher percentage will be on the job. The new president of the Canadian Life Underwriters' Association, E. S. Miller, has been placed in charge of the Saskatchewan campaign, and those who know his organizing abilities say that he will increase Saskatchewan's subscriptions this year. On the Dominion executive is J. H. Castle Graham, secretary of the Life Underwriters, as the representative of Canadian insurance men.

FUTURE MAY PROFIT BY RISE IN DOLLAR

Appreciation of Currency Will Reverse Conditions That Apply To-day

It has been said that the inducement to save has been materially lessened by the depreciation of the dollar. Certainly the man who has scraped together a few thousand dollars, as a result of years of toil, might be pardoned for wondering if he were not foolish to forego a great many things that might have brought him pleasure in the past, in order to hold his money, while every day its purchasing power was declining. It is not only in straight saving of money that the lessening value has been noticed. Holders of endowment policies and annuity policies, who have been making annual premium payments, find that the real value of their policies has been cut in two since they started paying for them 20 or 30 years ago. True their premiums have been paid with the depreciating currency, but that applies only to the past few years. And the man who took out a $2,000 fire insurance policy twenty years ago, figuring that $2,000 would nicely provide for his widow in case of his death, finds it necessary to double his insurance now to provide his wife with the same protection.

There is no need for the young people of to-day to avoid insurance because of this condition of things. With a return to normal conditions there is a fair prospect of the purchasing value of the dollar increasing and if that period comes, then the value of their policies will be greater than the real value of the premiums would warrant under present conditions. The reversal of conditions to-day would add as much to the people's savings as the depreciation of money has taken from them.

WORKING AMONG BOYS

Insurance Man Helps Himself When He Helps Others

It is good business, as well as a moral duty, for the insurance man to work for the betterment of the character and physique of the boys and young men of to-day, according to the **Rev. F. A. P. Chadwick**, a Victoria, B.C. minister. Speaking to a convention of Life Underwriters in that city, Mr. Chadwick said:

"The life insurance man has a wonderful opportunity of studying his fellowmen. The life insurance men have made a wonderful study of men, in fact you have to do it to work out your rates.

"We should strive for a greater number of men who are physically fit. It is an amazing thing to me that nearly fifty per cent. of the best men of the Empire are physically unfit for military service.

"There is a great field for men of any community in looking after the welfare of the boys of any community, even from the business point of view. I am one of those to-day who feels that this is one of the greatest fields for service, this looking after the welfare of the boys.

"At the present time surely we realize the value of the young man. The boyhood of the country is the greatest asset of the country. I wonder if you men have ever engaged in anything towards developing the character of the boyhood of the community? The more men you have who are physical wrecks the smaller opportunity you have for business. The more boys you have of good physique the more risks you are able to write."

SUN LIFE'S RECORD

The Sun Life Assurance Company's record for the first eight months of the present year shows a total of $61,289,738 in applications for new business, as compared with $38,456,686 for the corresponding period of 1918. This is a gain of $22,833,052 or close to 60 per cent.

Regina city council refused to change the basis of assessment of improvements. Now 30 per cent. of the fair value of a building is taken as the assessment. A suggestion was made to increase this to 45 per cent., but the councillors decided that the increase in the fair value was sufficient.

BETTER PREVENT ACCIDENTS THAN COMPENSATE MEN

Workmen's Compensation Laws Criticized by Accident Board

UNIFORMITY NEEDED

American Labor Statistician Would Have a Standard Law Passed in Every Province and State

That the present Workmen's Compensation laws of the United States and Canada are too limited in their scope, in that they only provide injured workmen with compensation for any losses they incur as a result of accidents, without taking any steps to prevent those accidents, was the complaint of several speakers at the convention of the International Association of Accident Boards, held in Toronto this week. The principal object of the Workmen's Compensation Law should be to avoid the payment of compensation to injured workers by making preventable accidents impossible, by curing all curable injuries, by placing workers in suitable jobs, and by keeping track of them so as to prevent them taking up work which would aggravate their injuries, suggested one of the speakers.

Another speaker, Carl Hookstadt, of the United States Labor Bureau, said:

"Probably the greatest weakness of compensation laws is the lack of correlation between compensation administration and accidents prevention. Effective prevention of accidents depends largely upon a knowledge of their causes, frequency, and nature. A compensation commission, in the very nature of things, must receive reports of all compensable injuries, and that it is the only agency which does receive them is proved by experience. Furthermore, the problem of accident prevention is intimately connected with the whole theory of and system of compensation. It would seem, therefore, that this important work would logically be undertaken by the same agency that administers the compensation provisions. As a matter of fact, however, in only eight States are the compensation commissions directly responsible for accident prevention work."

Another subject discussed by the conference was the adoption of a uniform compensation law by every province of Canada and every state of the Union. Dr. Royal Meeker, United States Commissioner of Labor Statistics, speaking on this subject, said:

"An adequate compensation law could easily be drafted to cover the great diversity of industries and of conditions throughout the whole United States and its possessions and Canada, very much better than any State or provincial law now covers the industries within its own borders. The difference in wages, hours, and conditions of work offer no obstacles whatsoever to the administration of an absolutely uniform compensation law providing uniform and adequate medical, surgical, and hospital treatment and money compensation according to a uniform scale, taking account of the economic effects of the injury and the employment and the wages or earnings of the injured worker."

Uniformity of compensation laws was not thought feasible by Charles S. Andrus, chairman of the Illinois Industrial Commission, who said that if a standard law were adopted it would be amended so as to be unrecognizable in the course of a few years. He believed in establishing certain features that should be incorporated in all compensation laws.

INSURANCE IS CLAIMED

Winnipeg Firm Sues Thirteen Companies For $145,500

The C. S. Judson Co. Ltd., of Winnipeg, is bringing action against 13 insurance companies for $145,500 to recover damages which it claims it suffered in the fire in its implement plant Sept. 28, 1918. A test case will be heard against the North British Mercantile Insurance Co. next month.

The companies and the amounts involved are: North British Mercantile Insurance Co., $13,000; Norwich Union Fire Society, Ltd., $3.500; L'Union Fire Insurance Co., Ltd., $10,000; London & Lancashire Fire Insurance Co., $21,000; Phoenix Fire Insurance Co., $18,500; Royal Insurance Co., $5,000; North Empire Fire Insurance Co., $12,500; Caledonian Insurance Co., $11,500; Nationale Fire Insurance Co., $5,000; Law Union & Rock Fire Insurance Co., $5,000; Hudson Bay Insurance Co., $5,500; Royal Insurance Co., $20,000; Mount Royal Assurance Co., $15,000.

Imperial Life, in common with the other Canadian companies, reports a large gain in the amount of insurance in force this year. For the month of August $1,932,970 in new business was written up, and for the first eight months of the year the amount of new business was $17,466,645.

Commercial failures in the United States last week were 107, against 119 the week before, 86 the preceding week and 150 the corresponding week last year.

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MORTGAGES AND REAL ESTATE

BUILDING SPURT DOUBLES PERMITS THROUGH CANADA

Halifax, With $2,500,000, Leads Cities of All Canada in August

SOME LARGE PERMITS

Hamilton, Windsor, London, Port Arthur and Others of the Smaller Cities Experience Great Activity

The tremendous building activity in Halifax is the feature of the August report of building permits issued in Canada. A special article on another page refers to the activity in Halifax, where, in August, building permits to the value of $2,407,633 were issued, bringing the year's total in that city to $4,334,591.

For all Canada, the record shows the largest increases over last year's figures that have yet been noted, and in some cities the advance indicates a very abnormal spurt in building. The total for the month was $11,049,311, an increase of $5,978,801 over last year. The total increase for the first eight months of the year is already over $14,000,000.

Toronto fell away from July's figures to some extent but showed building permits issued to the value of $1,844,303, almost double the August, 1918, amount. Montreal's total of $1,541,000 was $482,000 ahead of last year.

More outstanding increases were made, however, by some of the smaller cities. In London, the figures advanced from $55,760 to $867,420; in Port Arthur, from $3,638 to $411,572; in Windsor, $28,890 to $241,815; in Winnipeg, $382,350 to $710,900; and in Saskatoon, from $33,900 to $561,250.

Hamilton reports that the building activity during the first days of September have been more intense than ever before in the city's history, and it expected that last month's high record of over half a million will be passed. In August permits were issued in Hamilton for 110 dwelling houses, five factory additions, one church and six stores.

Some of the Permits

The largest industrial permit issued in Canada in August was for the $400,000 annex to the George Fuller Company elevator at Port Arthur. Jules and Jay Allen are spending $200,000 on a theatre in Winnipeg, and $100,000 on a theatre in London, Ontario. Other large permits issued during the month include: Sydney, N.S., church, $100,000; Westmount, garage, $120,000; London, tannery for C. S. Hyman and Company, $112,500; store for T. J. Kingsmill, $50,000; plant for the Canadian Oil Company, $50,000; St. Boniface, warehouse for Marshall Wells, $78,000; Regina, Saskatchewan Government offices, $150,000, school $110,000; York township, Glenholme Avenue school, $146,000; Saskatoon, physics building for the University of Saskatchewan, $403,000.

That Canada is not alone in its building activity is evidenced by a report from Bradstreet's, which states that contrary to expectation, that labor unrest, strike troubles, high-price agitation and other troubles that beset the building trade in August, would cause a set-back in activity in the direction of new construction, the total expenditure permitted for 147 American cities for that month was $150,583,823, which dwarfs the July expenditure of $136,743,439, and marks a gain of 249% over August a year ago.

WOULD RATHER RENT THAN BUY OWN HOME

Toronto Housing Commission Has Surplus Houses On Its Hands

"People are not buying our houses because we cannot convince them that it is cheaper for them to own their own homes than to pay rent," said W. Swain, secretary of the Toronto Housing Commission, explaining to THE FINANCIAL POST one reason why the commission has a surplus of homes on the market, that they cannot find buyers for. At present the commission has 236 houses under construction, which will be ready for occupancy within the next month or two, but only 100 persons have seriously offered to purchase. There are about a dozen completed homes unoccupied.

The housing commission homes sell for $3,500, on the average. A payment of 10% is demanded, and terms are arranged for the remainder so that the principal, interest, taxes and insurance amount to about $30 a month. At the end of twenty years, this monthly payment has purchased the house. Despite the fact that similar houses throughout the city rent for $30 and $40 a month, people refuse to buy the Housing Commission's homes. Mr. Swain tells a woman who asked how much it would cost to buy a house from the commission. She was told that it would cost her $31 a month. She refused to buy because her rent was only $30, and no amount of argument would convince her that part of her $31 a month constituted an investment while her $30 a month was an unrecoverable payment.

There has been some objection to making the $350 initial payment, but where it is deemed advisable the commission has reduced this amount, and in the case of returned soldiers, assignments of war-service gratuity have been taken.

The commission claims that the homes could not be duplicated at the price under conditions to-day, though one Toronto real estate dealer is quoted as saying that the homes are not good value at the price, $3,500.

On October 1 the Engineering & Machine Works of Canada, St. Catharines, will give to all men employed by the company a bonus of 5 per cent. on their wages during the year ending July 1 last.

Strikes have cost the United States $10,000,000 a day in the last eight months, in the opinion of Stephen C. Mason, president of National Association of Manufacturers.

BUILDING PERMITS FOR THE MONTH OF AUGUST

EASTERN CITIES

	August 1919	August 1918		Change	8 months 1919.	8 months 1918.		Change.
Maritimes—								
St. John	$ 57,000	$........	+	$ 57,000	$ 195,500	$ 331,725	—	$ 136,225
Sydney	118,650	43,443	+	75,207	490,790	274,279	+	216,511
Halifax	2,407,633	560,767	+	1,846,866	4,334,591	1,924,117	+	2,410,474
Quebec—								
Quebec	152,245	85,873	+	76,372	1,074,379	810,702	+	259,677
Westmount	182,100	14,475	+	167,625	485,340	205,691	+	279,649
Outremont	132,950	1,300	+	131,650	186,650	43,300	+	143,350
Montreal	1,541,245	1,058,268	+	482,977	5,913,868	3,707,678	+	2,206,190
Ontario—								
Brantford	61,890	202,290	—	140,400	568,765	594,395	—	25,630
Chatham	14,550	11,330	+	3,220	209,157	116,590	+	92,567
Galt	23,846	29,400	—	5,554	245,846	140,285	+	105,561
Guelph	11,950	2,480	+	9,470	378,717	68,913	+	309,804
Hamilton	505,845	396,244	+	109,601	1,436,019	2,667,732	—	1,231,713
Kitchener	39,930	76,480	—	36,550	653,195	196,822	+	456,373
London	867,420	55,760	+	811,660	1,586,655	394,320	+	1,192,335
Ottawa	168,490	188,810	—	20,320	2,073,887	2,197,516	—	123,629
Peterborough	9,875	11,116	—	1,241	76,990	194,956	—	117,966
Port Arthur	411,572	3,638	+	407,934	634,198	576,531	+	57,667
Stratford	12,115	23,524	—	11,409	136,147	74,987	+	61,160
St. Catharines	57,905	62,580	—	4,675	422,354	373,320	+	49,034
St. Thomas	8,290	9,975	—	1,685	151,525	33,345	+	118,180
Toronto	1,844,303	937,405	+	906,898	10,362,590	5,774,183	+	4,588,307
Welland	39,806	15,760	+	24,046	280,271	389,744	—	109,473
Windsor	241,815	28,890	+	212,925	1,366,345	430,090	+	936,255
Woodstock	9,290	3,959	+	5,331	77,488	69,961	+	7,527
Fort William	29,875	7,400	+	22,475	642,855	458,850	+	84,005
Total 25 Eastern cities	$8,690,590	$3,831,167	+	$4,859,423	$33,880,122	$22,050,042	+	$11,830,080
York Township	581,150	....	+	581,150	2,712,275	....	+	2,712,275

WESTERN CITIES

	August 1919	August 1918		Change	8 months 1919.	8 months 1918.		Change.
Alberta—								
Edmonton	$ 94,755	$ 7,200	+	$ 87,555	$ 728,975	$ 298,380	+	$ 430,595
Lethbridge	9,835	35,805	—	25,970	119,980	123,953	—	3,973
Calgary	121,500	127,200	—	5,700	1,858,400	976,000	+	882,400
Manitoba—								
Brandon	7,400	30,835	—	23,435	51,462	70,676	—	19,214
St. Boniface	144,000	97,650	+	46,350	248,360	247,830	+	530
Winnipeg	710,900	382,350	+	328,550	1,491,450	1,747,900	—	256,450
Saskatchewan—								
Moose Jaw	110,685	14,570	+	96,115	385,495	423,050	—	37,555
Prince Albert	42,976	700	+	42,276	157,356	61,498	+	95,858
Regina	338,635	237,100	+	101,535	1,136,645	892,690	+	243,955
Saskatoon	561,250	33,900	+	527,350	1,020,825	522,645	+	498,180
British Columbia—								
New Westminster	20,957	39,650	—	18,693	116,182	77,660	+	38,522
Vancouver	173,345	216,318	—	42,968	1,402,671	1,001,318	+	401,353
Victoria	22,483	16,070	+	6,413	255,224	182,525	+	72,699
Total 18 Western cities	$2,358,721	$1,239,343	+	$1,119,378	$ 8,973,025	$ 6,626,125	+	$2,346,900
Grand total 38 cities	$11,049,311	$5,070,510	+	$5,978,801	$42,853,147	$28,676,167	+	$14,176,960

HALIFAX SPENDS FIVE MILLIONS IN NEW STRUCTURES

Estimated Supplies Are Being Furnished For $7,000,000 More

NO CIVIC ACTIVITY

Experience City Has Had With Municipal Ownership in the Past Made it Refuse Government Scheme

By Special Representative

FINANCIAL POST correspondent some time ago, a dealer in builders' supplies in this city remarked that, in his opinion, the amount of construction work for which Halifax was furnishing supplies, amounted to some seven millions of dollars in value. He may have been a little extravagant in his estimate, but the general opinion is that the figures mentioned were not very far astray. The building going on in the city of Halifax itself is on a large scale, far in excess of anything in the past history of the city. The building permits issued so far for the year amount to $4,300,000, compared with $1,900,000 the year before. These building permits do not show the full value of work to be done. They are more or less a form and have a tendency to under-estimate rather than over-state the amount, because some people think a statement of a large amount might have some effect with the assessor when he comes round for the purpose of making up the city taxation rate. When $4,300,000 is given in the applications for building permits, the amount might well be considered to be nearer $5,000,000. The figures for the previous year in Halifax were a record, and now comes this year with an amount greater still.

It was thought in some quarters that the figures would drop off this year because of the six weeks' strike and the higher rate of wages in the building trades. That an increase is shown is a matter of encouragement and gives ground for the belief that next year will show a still further advance. Below is a tabular statement of the construction work in Halifax for eight months in 1918 and 1919 respectively, the falling off from May of this year being due to the strike which began at the first of that month and continued to the middle of June:

	1918	1919
January	$ 62,470	$137,295
February	67,075	250,248
March	47,768	256,775
April	306,850	363,735
May	298,850	403,190
June	200,086	224,290
July	308,158	291,422
August	560,767	480,675

No Housing Loans

In connection with building in Halifax, it is interesting to note that the city council turned down the proposal to take up the housing plan under the Dominion Government's loan act. Of the amount available from this loan the city of Halifax share would have been about $750,000, the money being advanced at a rate of five per cent. In order to bring the law into force in the city it had to be endorsed by the city council. Two parties at once formed, one in favor of going ahead and the other opposed, on the ground that the scheme would add a burden to that section of the citizens who did not avail themselves of its provisions. They said that the city would be assuming a load that might become heavier and that it would not be fair to the mass of the people, though none denied a section of the population would likely be benefited. For two long sessions the proposal was debated by the aldermen and at last it was defeated by a majority of one in the city council. The vote was 9 to 8, but it was reported that if the one alderman who was absent had been on hand the majority would have been two against. This settles the question in the meantime, at least.

One of the speakers in favor of the housing bill states that the loan companies in this city had advanced nearly three millions this year on mortgages for house building, at a rate of interest nearer seven than six per cent., and that there are in Halifax no less than nine hundred families living in temporary quarters erected by the relief commission, families which are in urgent need of new homes. There is no doubt a tremendous demand for housing in this city but the aldermen nevertheless are not prepared to take hold of anything as a civic proposition to mitigate the situation. They think it financially unfeasible and perhaps there is a lingering lack of faith in the ability of municipal management to grapple with a problem. Better leave it to private enterprise, they say, and what they see of the condition of the streets and the way the water department is run does seem to give reason for the lack of faith that is so apparent in this matter.

HAMILTON MARKET CO.

East End Market, Ltd., of Hamilton have purchased the Truman hotel property and will reconstruct it as a sanitary market. There will be thirty-five market stalls in the building, and about fifty apartments on the upper stories. A company has been organized to handle the proposition with Will J. Lord as president and Ben Greenwood, managing director. The capitalization is $350,000.

WESTERN FARM LANDS BOOM ONLY STARTING

Americans Coming Into Western Canada Intend to Remain

Farm lands in the good agricultural districts of the West will be much in demand in the next two years, according to Arthur Jackson, Winnipeg, farm land agent, who says that the movement of American farmers to Western Canada has only just begun. That the Americans who are already flocking into the country intend to settle down is evidenced by the fact that they are bringing stock and implements with them.

The reason for the influx of Americans is the boom in Middle West farm lands. Farmers in Iowa and similar states can sell their land now for as high as $415 an acre, and coming to Canada purchase the best of our Western lands for from $20 to $85 an acre, depending on location.

So great is Mr. Jackson's faith in the marketable value of farm lands in Western Canada that he expects to take a trip in about six weeks through North and South Dakota, Minnesota, Iowa, Ohio and Illinois, where he will place large blocks of land on the realty markets. Later he will visit the Eastern provinces of Canada for the same purpose.

CANADA CAN BUILD SHIPS

Famous Scottish Builder Says Our Ships As Good As Britain's

The Briton is profoundly mistaken if he assumes that Canadian and American yards cannot build ships because of lack of experience, says Harold E. Yarrow, of Yarrow & Company, the famous Scottish-Canadian shipping firm, which has yards on the Clyde and in British Columbia. Mr. Yarrow blames the British workmen's antipathy to labor-saving devices and the Ca'canny policy for the lessening efficiency of British yards, and he hints that his firm may yet give up its Scotstoun yard and concentrate its energies on the Canadian yards.

BOYCOTT HITS JAPAN

China Willing to Give Us Trade, if Ships Are Provided

According to the Japanese newspaper, *Nichi Nichi*, the Chinese boycott on anything made in Japan is having its effect on Japanese trade. The paper estimates that Chinese imports from Japan have dropped 70% to 80% since the boycott began early this year. Exports out of Japan were:

April	Yen	26,840,000
May	"	25,670,000
June	"	19,860,000

The statement is made in China, that if the United States and Canada put more ships on the Pacific, they can get the trade that China formerly gave to Japan.

SMALLER LOBSTER CATCH

But as Prices Are Higher, Nova Scotia Canneries Benefit

Nova Scotia canneries had a smaller lobster catch to handle this year, but as prices have risen, the total value of the catch is much larger than last year. Official statistics show that the total catch for the past season amounted to 5,852,096 pounds, valued at $1,396,946. The catch was slightly smaller than it was in 1918, when it was 6,285,820 pounds, but the value was much higher, the 1918 catch having been valued at only $799,397. This year the season lasted only from March 1 to May 31, whereas in previous years the season lasted from December 15 to May 31. There were 4,831,232 pounds of live lobsters exported and 1,020,864 pounds of lobsters put up by the canneries in 1919.

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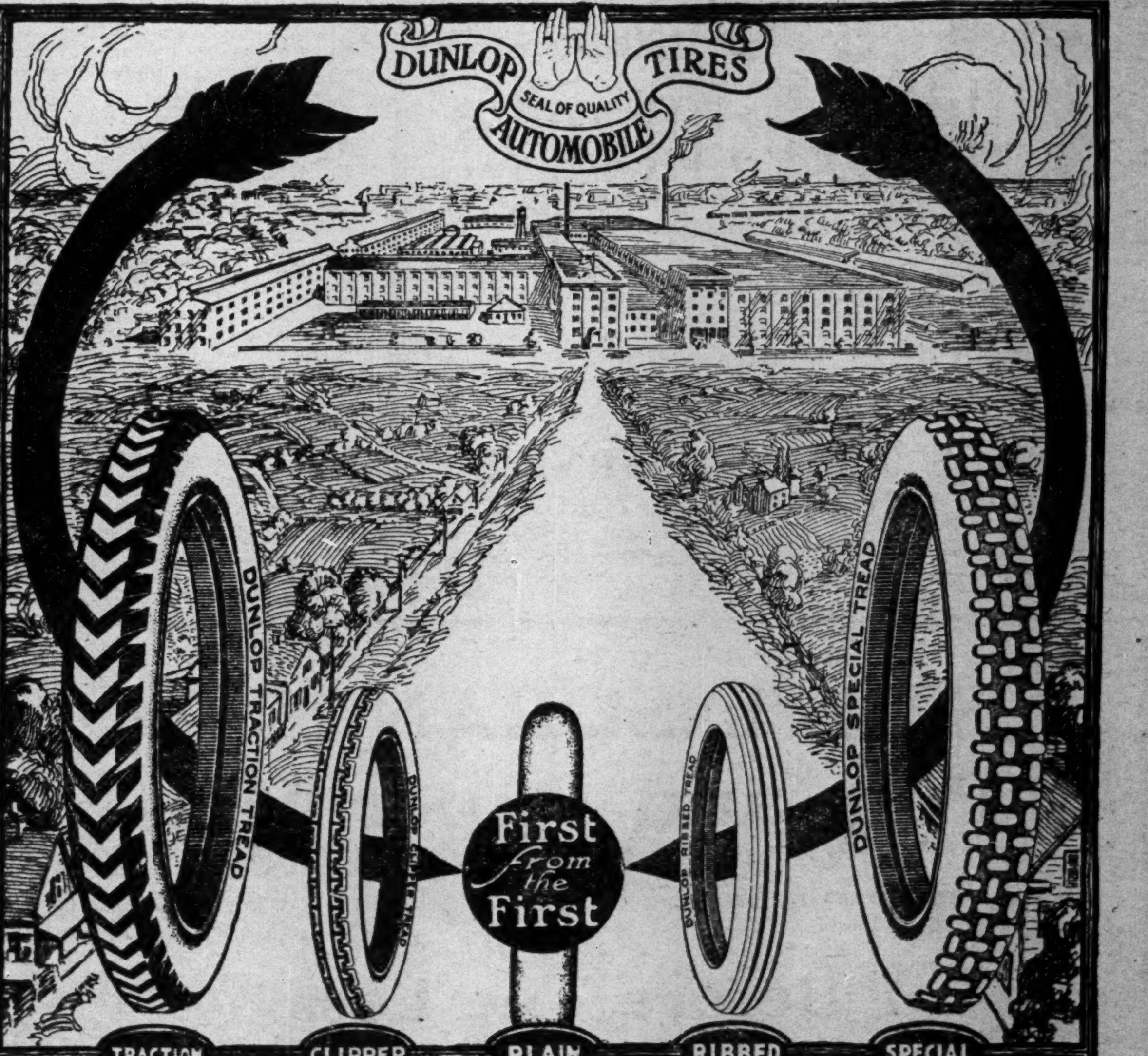

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SAVINGS DEPOSITS FOR AUGUST WERE GREATLY ENLARGED

Total on Deposit Makes Victory Loan Look Small

NATIONAL FINANCING

Holdings of Government Securities Slightly Reduced and Balances Owing Cut Down by $40,000,000

A further expansion of $21,000,000 in savings deposits in Canada is the outstanding feature of the August Bank statement and attracts particular attention in relation to the Victory Loan campaign now being organized. The total on deposit as savings at the opening of September was $1,196,000,000, in relation to which the proposed Dominion issue of $300,000,000 does not seem to present a very difficult problem. However, an analysis of these deposits is difficult to make, and it is very doubtful if the great bulk of the total are immediately available for investment. Demand deposits during the month changed but little. The total at September 1 was $584,000,000, the aggregate for all deposits in Canada being $1,569,000,000, or an increase of $21,000,000 for the month and $211,000,000 for the year. Deposits outside of Canada were off by $56,000,000, but were still $4,000,000 higher than at the corresponding time last year.

Some interesting developments are noted in the financial relations of the Government and the banks. Whereas during July there was a very large increase in the holdings of Government securities, which include treasury bills, upon which the Government is doing its temporary financing, there was, during August, a decline from the total of $278,000,000 to $273,000,000. At the same time the balances due to the Government by the banks, which at this time include legals under an arrangement for wartime financing, were materially reduced from $140,000,000 to $100,000,000. A year ago at this time the banks were owing the Government under this account $85,000,000.

Current Loans

Current loans were further reduced during the month by $2,600,000, indicating a further curtailment of business loans, but the advances on this account are still over $90,000,000 larger than they were a year ago in the corresponding statement. On the other hand there was an increase of $2,300,000 in Canadian call loans, which may be taken as an indication of the reviving interest in the Canadian stock market. At the same time call loans abroad declined nearly $4,000,000, which may also be taken as a reflection of the trend of the month's developments in stock trading.

An increase of $15,500,000 in circulation is a feature of the statement which needs some explanation, as the significance of this change is not apparent from the statement itself, particularly when attention is called to the fact that at the end of July this item was only about $5,000,000 larger than in the corresponding statement for 1918.

AUGUST BANK STATEMENT.

Assets—	Aug., 1919	July, 1919		Change in month.	Aug., 1918		Change in year
Specie	$ 80,824,700	$ 80,203,533	+	$ 621,167	$ 75,222,384	+	$ 5,602,316
Dom. notes	170,100,535	180,823,245	—	10,722,710	186,256,488	—	16,155,953
Gold reserve	106,400,000	108,400,000	—	2,000,000	91,470,000	+	14,930,000
Call loans abd. .	174,176,578	178,098,434	—	3,921,856	160,544,990	+	13,631,588
Canadian call ..	95,899,836	93,587,497	+	2,312,339	73,509,571	+	22,390,265
Current loans ..	1,011,785,424	1,014,387,206	—	2,601,782	920,775,269	+	91,010,155
Loans abroad ...	146,964,315	138,217,957	+	8,746,358	101,551,546	+	45,412,769
Total assets	$2,713,809,050	$2,772,743,588	—	$ 58,934,538	$2,423,466,887	+	$290,342,163
Liabilities—							
Circulation	$ 222,461,915	$ 206,906,941	+	$ 15,554,974	$ 200,839,660	+	$ 21,622,255
Demand dep. ...	584,300,855	584,176,765	+	124,090	554,906,517	+	29,394,338
Savings	1,196,632,931	1,175,092,153	+	21,540,778	1,014,711,865	+	181,921,066
Tot. dep. in Can.	1,780,933,786	1,759,268,918	+	21,664,868	1,569,618,382	+	211,315,404
Foreign	238,368,859	294,650,777	—	56,281,918	220,124,417	+	18,244,442
Total liabilities .	$2,449,685,030	$2,509,820,518	—	$ 60,135,488	$2,169,483,583	+	$280,201,447

PAPER COMMISSIONER FOR NO INTERFERENCE

But Hints That Limited Control May Continue For Some Time

After a conference with the paper mills and newspaper publishers this week, Paper Controller Pringle fixed on October 9 as the date for hearing arguments from both parties. These will concern further price-fixing proceedings with particular application to the question of whether or not the controller would be satisfied in view of the recent judgment of the Paper Control Tribunal, in considering a readjustment of the fixed price of newsprint paper prevailing in Canada for the sixteen months prior to July 1, 1918, as well as to take evidence concerning costs of production for the period covering December 1, 1918, to date.

That there is a possibility that a limited control of the pulp and paper industry of Canada may continue for some time yet, was the suggestion contained in a statement made to THE FINANCIAL POST by R. A. Pringle, K.C., who has been conducting the newsprint inquiry in this country. Mr. Pringle said that, although assurance had been given that all measures of Government control were temporary, and that with peace conditions the old systems would be restored, there had been a precedent created and Government control might continue to a limited extent, at least so long as conditions remain abnormal. Mr. Pringle himself favors a return to the old policy of "laissez faire," leaving the industry untrammelled to develop itself as it will. He said:

"So far as paper is concerned there are still serious transportation difficulties and the Scandinavian countries are not able to send their product to America as cheaply as they did before the war. But both in Great Britain and in the United States state control was a failure and was abandoned. I think it is a fundamental rule that the state should not interfere in any business or enterprise that may be more economically and effectively carried on by private control, unless its public character makes it necessary. The state should not interfere in prices, rates, wages, hours, or any other matters whose proper settlement can only be found in the quotations on a free and untramelled market. The Government has no right to control individual liberty beyond what is necessary for the safety and well-being of society.

"I think the Government was absolutely justified in assuming control owing to the conditions which arose after the war, but I think they should relinquish control as soon as we get back to normal times and conditions.

"It has been suggested that prices might be kept down by shutting off exports. This would be a disastrous move for the country as the pulp and paper industry is one of the most important Canada has.

"The fixation of profits is an infinitely detailed operation. Wages and other factors are constantly changing; and you no sooner get a price fixed than some of the variable factors move to upset its fairness. I think it is an almost impossible task to fix prices on all commodities. It is a question of fact, to be determined in millions of different cases. We have been passing through abnormal conditions with economic chaos and upheavals in nearly every country in the world. All kinds of suggestions to bring down prices are being tried out, but supply has to catch up with demand."

The Italian Government is trying to obtain coal from Southern Russia. Two commercial commissions have been sent to that district, where it is estimated there are untouched coal lands that would yield 57,000,000,000 tons. It is calculated that if the coal supply of Southern Russia should become available this territory would furnish all the coal necessary for the Mediterranean countries.

W. C. King, of Aylmer, for some time manager of the Molsons Bank there, has been transferred to St. Thomas to succeed L. E. Tate, who has been superannuated from the managership of the west end branch.

TO BRING BANANA WEATHER TO EAST COAST CANADA

Continued from page 1.

lighter gravity than the Arctic current, so that the Arctic current courses along Labrador and Newfoundland, whereas the water of the Gulf stream, being so much more saline and heavier, would press the Arctic water away from those shores."

Change Trade Routes

The scheme has been placed before Lord Morris and Sir Edgar Bowring, High Commissioner for Newfoundland in Great Britain, who thoroughly appreciate its possibilities. They are enormous, climatically, and if the expectations of its advocates are fulfilled, would revolutionize a large part of the world's trade routes. The scheme proposed to the Dominion Government includes the building of a railroad along the north shore of the St. Lawrence river to Labrador, running out over the dam across the strait, connecting Newfoundland with the mainland of Canada and the United States and shortening by half the present ocean voyage to Europe. It would open for navigation all the year around many ports on the Atlantic seaboard, and would make the St. Lawrence river navigable throughout the year as far up as Quebec and possibily Montreal.

At present the Gulf Stream affects the Nova Scotia coast only to a small extent, approaching the southern coast at about the 43rd parallel; but the cold Arctic current, coming down from the north through Baffin's Bay and Davis Strait, pours through the straits of Belle Isle into the Gulf of St. Lawrence, creates fogs, mists; carries the huge bergs into the path of the Atlantic liners, causing wrecks such as that of the Titanic; sweeps along the coast of the Maritime Provinces and makes the climate there and in the New England States almost unendurable for a great part of the year, and is finally shunted off by Cape Cod. The promoters of this dam project claim that it would similarly shunt off the current from entering the Gulf of St. Lawrence, and throw it out into the Atlantic where it would affect only the whales and other denizens of the deep, who do not seem to mind it anyhow. We should then have the benefit of the Gulf Stream without any entangling alliances with the Arctic current, and our climate would be completely changed. Canadian and New England seaboard cities would have the advantage of ice-free ports; ice and snow would be seen only in the movies; and semi-tropical products could be grown in Canada and New England.

Is It Feasible?

But would all this ensue from the building of this nine miles dam? Dr. Dawson, Chief Hydrographer of Canada, seems to doubt it. He published a report more than ten years ago on the currents in Belle Isle Strait, in which he established the fact that the Arctic current does not sweep down through the straits and into the Gulf of St. Lawrence, but strikes off towards the northeast; and that the tides in the strait are regular, flowing east and west at the rate of two or three knots per hour every way. There is no great constant volume of water coming into the Gulf from the north. He claims, moreover, that the reason we do not get any benefit from the Gulf Stream while Europe does. is that our prevailing winds are out ward off the land, while those of Europe are inward. The idea, therefore, that the damming of the straits would revolutionize the climate and open the St. Lawrence for constant navigation will have to be further supported before it can be accepted.

The railroad project and the making of a great transatlantic port on the northern part of Newfoundland is another matter, and much more feasible; and the building of this dam or causeway across the strait might be justified by that alone.

At all events, these men of standing in Canada and England are apparently willing to take a chance, and they are not asking for a dollar of Government aid in the building of their dam. All they want is the necessary permission to go ahead with it. If they could make the St. Lawrence open all the year around, they would not require any government subsidy or bonus; the business men of Canada would be willing to contribute so as to make them rich beyond the dreams of avarice, and to erect on the heights at Quebec a statute in their honor symbolical of Enterprise Warming the World.—T. M. F.

JAPAN WANTS PAPER

Also Needs Pulp and Other Supplies Used in Paper Making

Japane offers a great market for Canadian pulp and paper, according to A. E. Bryan, Canadian Trade Commissioner at Yokohama. Mr. Bryan states that all kinds of pulp and paper, also felt, wires and other essentials of paper manufacture, are needed in Japan. All business is done on bankers' credits, which is equivalent to cash against documents for the Canadian exporter.

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A Dividend at the rate of Three and One-Quarter Per Cent. (3¼%) for the three months ending 31st October, 1919, has been declared, payable on the 1st November, 1919, to Shareholders of record as at the 21st October, 1919.

By order of the Board,
C. H. EASSON,
General Manager.

Toronto,
September 26th, 1919.

Canada's exports of pulp and paper products create "exchange" for Canada, in the United States, at an average rate of $205,000 a day for every working day in the year.

Featuring Pulp and Paper Industry

THE FINANCIAL POST

The Canadian Newspaper for Investors

SPECIAL SECTION PUBLICATION OFFICE: TORONTO, SEPTEMBER 27, 1919 SPECIAL SECTION

PRODUCTION OF PULP AND PAPER IN CANADA HAS SHOWN ENORMOUS EXPANSION IN PAST EIGHT YEARS

Increase From $4,000,000 to $50,000,000 Since 1911 in Paper Exported From This Country

MARKED DEVELOPMENT DURING WAR PERIOD

Exports of Newsprint to United States Showed Great Expansion Because Other Sources of Supply Were to a Large Extent Cut Off—A New and Promising Field in the Orient

By H. H. BLACK, Associate Editor THE FINANCIAL POST, Montreal.

A CHART that would attempt to include a representation of the pulp and paper export in Canada, say in 1890, along with that of 1918-19, would have to reproduce the former by a unit so small that a microscope would be required to identify its existence. For the two units would compare as $122 in 1890 to around $122,000,000 in 1919, the latter one million times as great.

It is indeed within barely more than a decade that the pulp and paper industry of Canada has come to assume its huge proportions, for in the main it has come to be an export business. A report published in 1908 placed the amount of capital invested in the pulp and paper industry in Canada at $50,000,000. Ten years later a census report by the Dominion Bureau gave the capital investment as $186,374,905, and since then the $200,000,000 mark has been passed.

In 1908 the annual production of pulp was 700,000 tons, and of paper 290,000 tons. Now the paper production exceeds 725,000 tons.

Ten years ago the number of employees was set down at 9,000, and the wage bill at $4,000,000 a year. The Dominion report estimated the number of employees at 25,000, and the wage bill at $20,500,000.

Ten years ago the exports amounted to $6,871,387 in all; to-day they are over $100,000,000. Then the pulp export was $4,037,852; for the fiscal year of 1919 it was close on $35,000,000. The paper export of 1908 was $2,833,535; for the fiscal year of 1919 it was over $49,000,000, or almost eighteen times as much! And each year sees a very heavy increase.

Taking the period for which figures in detail are supplied in connection with this article the increases in paper export and chemical pulp export, with the total, including also ground wood pulp and manufactured pulp are as follows:

Growth in Exports in Eight Years

	1911	1919	Per. incr
Paper & mnfs. of	$3,924,452	$49,165,795	11.52
Chem. pulp	1,308,101	$30,226,856	22.11
Total exports ..	$14,732,699	$99,259,166	5.74

Production vs Export

The close relation of production to export is seen in the fact that 89 to 90 per cent. of the newsprint made in Canada is exported, while reports from 25 mills for the year 1918 show that of 352,263 tons of sulphite pulp shipped from these mills, 304,955 were exported, and 291,460 went to the United States.

By far the greater increase in export has been during the period of the war and in the months since the war. In the case of newsprint the growing demand for the Canadian product was not due to the cutting off of supplies from the United States of other outside connections, but was due to the growing demand and the inability of the domestic mills to satisfy that demand. Ten years ago less than 1% of the demand of the United States, which consumed 2,000,000 tons a year, was supplied by Canada; in 1909 the percentage was under 4; at the present time this has increased to over one-third. Between 1915 and 1919 the percentage of Canadian production exported to the United States has grown from 75 to 90.

Within the past couple of years our export of unbleached and bleached chemical pulp has been developed greatly by the shutting out of the larger part of Scandinavian products through lack of shipping. Germany, of course, was eliminated as a factor early in 1915. Figures of imports of unbleached chemical pulp into the United States for 1910 show Germany as the largest exporter, 58,325 tons, with Sweden second, 57,798; Canada third with 35,903; Norway fourth on the list with 30,730, and the total, 202,081 tons. The following year Sweden far outstripped Germany, with 84,378 tons against the other's 50,351 tons, and Canada's 29,372 tons. In 1912 Sweden's contribution grew to 107,884, and to a high mark of 159,551 in 1916. In 1912 Canada's export had grown to 47,052; in 1913 to 62,733, and in 1914 to 97,541, indicating a very rapid and healthy growth in the pre-war period. With Germany out of the running practically in 1915, Canada's export rose close to Sweden's, being 135,445 to 140,655. The next year, 1916, Canada for the first time sent more to the United States than any other country; 194,116 tons to Sweden's 159,551, and in 1917 the amount rose 20,000 tons more, to 214,313, with Swedish pulp down to 126,453. In 1918 Canada sent 366,536 tons out of a total of 372,176, with Sweden only 672, and Norway 4,406.

In bleached chemical pulp in 1910 Germany sent 22,962 tons to the States; Norway, 38,100 tons; Sweden, 4,943 tons, and Canada, 6,376 tons, a total of 76,845 tons. By 1914 Germany sent 23,249; Norway, 63,030; Sweden, 25,344, and Canada, 11,602. Last year nearly all that went over came from Canada, but the growth in the bleached has not been as large as in the other department.

In the case of sulphite pulp, all grades, figures are available showing that the Canadian mills are preparing for an increasing export business. Reports from twenty-five of the chief mills show as follows for the years 1917 and 1918, with an estimate furnished for 1919:

Sulphite for Sale

	Prodn.	Sold in Canada.*	Sold to U. S.*	For sale
1917	414,815	34,085	169,589	......
1918	550,836	47,307	291,460	.....
1919 (est.)..	622,500	......	....	429,000

*The balance would be used by the mills themselves.

With renewed prospects developing for pulp and paper, export to England, and a representative of the Canadian Pulp and Paper Association spending over three months since June over in England in an effort to improve shipping facilities and develop markets, it is interesting to glance at the prospects in the East from Japan, Australia and New Zealand. One company in Eastern Canada has been shipping paper to Australia for over twenty years, but naturally the great bulk of paper shipments to Australia and New Zealand go from British Columbia and also the pulp sent to Japan. In a recent issue a leading Japanese Journal says:

Japanese Market for Canada

"The pulp for paper making which this country needs is a chemical variety, the supplies of which are getting shorter. At the present time the source of supply we can look for appears to be confined to Canada when we consider output and quotations."

Chemical Pulp to Japan

1917	$ 204,417
1918	1,233,306
1919	2,775,486

Exports of Printing Paper

	Australia	N. Zealand
1917	1,106,617	667,920
1918	1,835,207	638,158
1919	2,081,911	862,402

Totals, Paper, Pulp, etc., to East

1917	2,001,540
1919	5,842,921

Fiscal year ends March 31.

Year	Paper and Mfgs. of	Chem. Prepared	Mech. Ground	Pulpwood Unmanufac.	Total
1911	$ 3,924,452	$1,308,101	$4,407,431	$6,092,715	$14,732,699
1912	2,885,881	1,587,533	3,506,770	5,697,901	14,678,087
1913	6,341,088	2,100,842	3,408,702	6,806,945	18,657,577
1914	12,690,549	2,923,083	3,441,741	7,388,770	26,444,143
1915	15,500,064	4,806,622	6,801,011	6,817,311	33,925,008
1916	20,042,806	4,459,539	3,575,537	5,743,847	33,821,729
1917	26,107,824	14,032,920	6,371,133	6,448,189	52,970,066
1918	37,865,330	19,133,813	6,487,079	8,339,278	71,845,500
1919	49,165,795	30,226,856	4,479,915	15,386,600	99,259,166

COMING EXPANSIONS IN NEWSPRINT MILLS

500 TONS A DAY; 150,000 TONS A YEAR

Canadian newsprint mills are not content to stand still with their present achievement of an output of over 700,000 tons a year. An estimate made for THE FINANCIAL POST indicates an increased production within the next year of 500 tons daily, or 150,000 tons a year, which would bring the total production in Canada to 850,000 tons a year. At the present fixed price of $66 a ton, the value of the newsprint alone would be $56,100,000 a year.

The present and prospective plans of the Canadian mills are as follows:—

Brompton Pulp and Paper Co., East Angus, Que., one new 50-ton machine, installed this year and now operating.

Spanish River Pulp and Paper Mills, two 50-ton machines at Sault Ste. Marie, which will be in operation this fall.

Price Bros. & Co., one 50-ton machine at Kenogami mill, ready by Dec. 1.

The Laurentide Company, Grand Mere, Que., two 30-ton machines, in operation on July 1, 1920.

International Paper Company's new mill at Three Rivers, Que., with capacity of 200 tons daily.

A total of 500 tons daily.

THE STOCK EXCHANGE AND PULP AND PAPER STOCK; REVIEW OF FLUCTUATIONS AMONG THE FEW "LISTED"

In Four Out of Seven on the Trading List in 1916 Quotations in 1919 Are Lower—Price Brothers Shows Largest Gain in Past Three Years—Wild Speculative Move of 1916 Had Injurious Effect

HIGH AND LOW ON THE STOCK EXCHANGE

	Abitibi		Brompton		H. Smith		Laurentide		Price Bros.		Prov. Paper		Riordon		Span. R.		Wayag.	
	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.	Hgh.	Lw.
1919..	110¼	48	66	55¼	100	65	228	192	225	150	65	51	145	117¼	49¾	17½	70½	47
1918..	57½	48	63¼	41¾	66	65	198	152	151	120	49	46	123	117⅛	19⅛	12¾	55	50
1917..	58½	48	58¼	39	74½	65	195	152	134	115	51¾	50	127	106	19	13	97	50
1916..	Not listed		79	43	Not listed		217½	176	132	60	57	56	150	59	24½	5	112⅛	27
1915..	Not listed		Not listed		Not listed		198	160	Not listed		Not listed		Not listed		6¼	3	Not listed	
1914..	Not listed		Not listed		Not listed		192¾	164½	Not listed		Not listed		Not listed		Not listed		Not listed	

IN spite of the steady and rapid increase in production and earnings of the pulp and paper companies in the past three years, no less than three out of eight of the leading stocks that are listed sold at a higher level in 1916 than even in 1919. This does not mean that the properties have depreciated in value; the earnings and surpluses and values of the stocks are in nearly every instance higher and much higher; the movement of 1916 was to a great extent of a wildly speculative nature that carried prices far above the real worth of the stock, and in two or three cases since has exercised an injurious influence, when otherwise the securities might have responded favorably to progressive annual statements. Only this year is the memory being effaced of those Stock Exchange levels that were created in 1916 so inconsistent with industrial performances.

Three Higher in 1916 Than Now

Of the nine stocks now listed on the Montreal Exchange, two, Abitibi and Howard Smith were not boarded in 1916. Three of the seven reached higher marks in 1916 than have since been touched: Brompton, Riordon, and Wayagamack, while Laurentide, Price Bros. and Spanish River are higher.

Taking the high marks of each year the difference in favor of 1919 is comparatively slight, a total of 839 against 772, or an average of 119 as compared with 110.

Highs of 1916 and 1919

	1916	Div.	1919	Div.	Change
Brompton	79	5%	66	5	down 13
Laurentide	217½	8%	228	12*	up 10½
Price Bros. ...	132	6%	225	8*	up 93
Riordon	150	4½	145	10	down 5
Span. River...	25	0	50	0	up 25
Prov. Paper...	57	4	65	4	up 8
Wayagamack..	112⅛	0	70½	0	down 41⅝
Total	772⅝		849½		
Average......	110		119		

As for the future, Riordon and Provincial Paper and Brompton have a fairly easy task, while Wayagamack's objective exceeds 40 points.

Of the remaining two, Howard Smith has just touched par, and Abitibi not only reached this in the present month, but broke through 10 points above. In practically every stock on the list the general tendency is to look for higher prices.

So far as the relation of the stock marked to dividends is concerned, Laurentide was nearly as high on 8 per cent. as on 12 per cent., and a 3 per cent. bonus in 1919; Price Bros., however, on 8 per cent. and a bonus of 2 per cent. is nearly two points higher. Riordon was paying only 4½ per cent., including a bonus in 1916; to-day it is over double. Spanish River and Wayagamack are not yet on a dividend paying basis, but confidence in the future of pulp and paper issues is so strong that in both cases purchases are being made at comparatively high prices now for investment purposes. What other stocks in publicly held industrials would sell over 60 and over 100 without dividends attached?

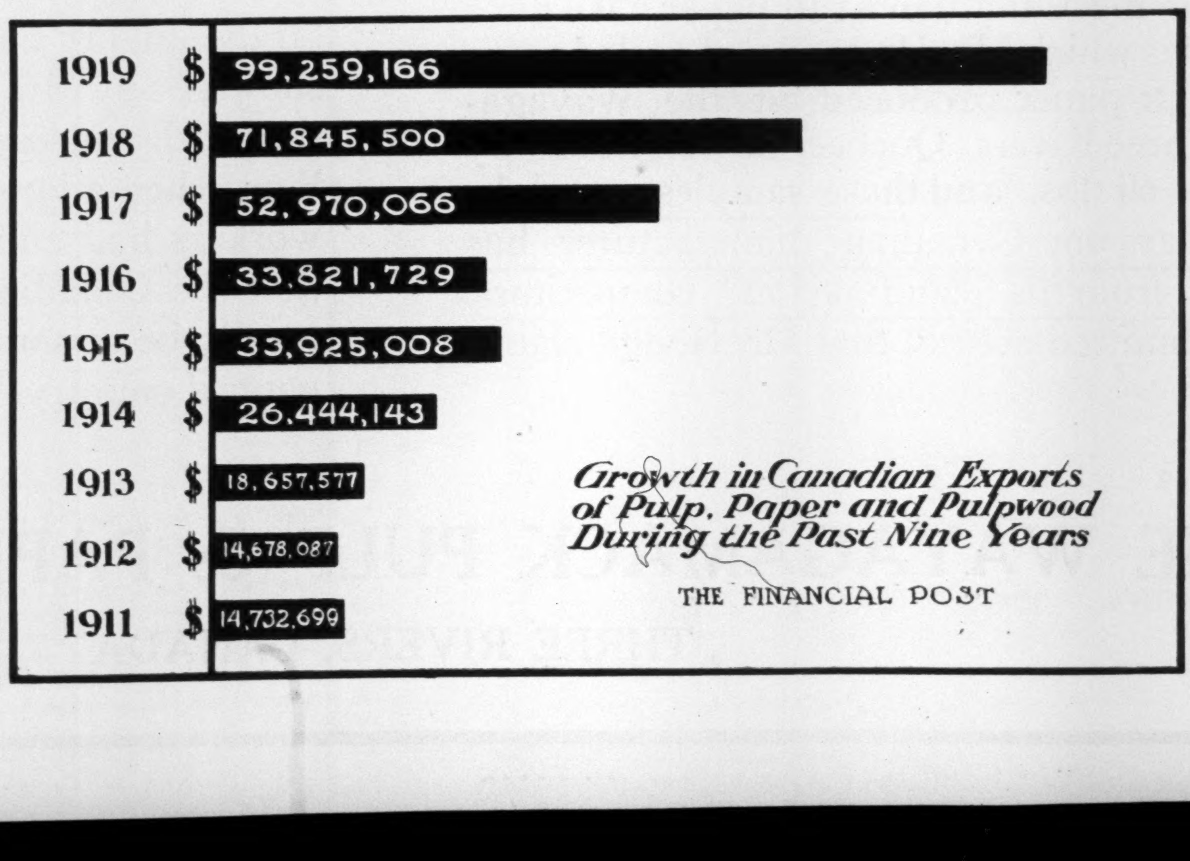
Below is given a review of the movements on the Stock Exchange of the listed pulp and paper securities:

ABITIBI

The Abitibi securities were not listed until July 24, 1917, although the company was incorporated in 1914. However, there was the development stage that had to be passed, and indeed it was not until well on in 1918 that this was accomplished. The common started at 58½ in 1917, but slid down to 48 at the close of the year. In 1918 it was at the minimum of 48 in April, but rose to 57½ in October, although it ended the year at the old 48.

It was the present year, with much brighter prospects, that has sent the stock to a much higher level. By April it was at 65½, and during the present month it had passed par and two sales took it up to 110½. No dividend has been paid on this stock, and there are arrears on the preferred of 19¼, but the prospects are considered bright for the wiping out of these during the present year, and with large increases in sales and contemplated additions of paper machines, shrewd investors are laying the stock in with the idea that the common will make a very profitable

Continued on page 21



Growth in Canadian Exports of Pulp, Paper and Pulpwood During the Past Nine Years

THE FINANCIAL POST

HOW PEACE HAS AFFECTED PULP, PAPER INDUSTRY

Canadian Makers Have Held Own in Past Eight Months

MUST BE UNRESTRICTED

Welfare of Industry Demands That it Be Given Chance For Healthy Expansion Free From Politics, Etc.

By J. A. BOTHWELL,
President Canadian Pulp and Paper Association.

THE Canadian pulp and paper industries made great strides during the war period, particularly in regard to the exportation of pulp and paper products of all kinds. European products of this nature were virtually shut out of the United States market from 1914 to 1918, and in consequence the demand in that country for Canadian products was limited, practically, only by Canada's ability to supply them. In the fiscal year ending March 31st, 1914, the year preceding the war—our exports of paper, pulp and pulpwood and their derivatives, amounted in value to a total of $26, 428, 630. Five years later—for the year ending March 31st, 1919—they had risen to a total value of $99,259,166. The increase was, of course, by no means entirely due to the larger quantity of pulp and paper products exported, but is accounted for in large part by the higher prices obtained for them. This, again, does not mean a disproportionate increase in the manufacturers' profits, since the increased price was largely absorbed in the higher costs of production.

As to what effect the coming of peace has had upon the industry, this is again determined by an examination of the foreign market returns, since Canada's pulp and paper business is generally accepted to be about 83 per cent. export to 12 per cent. domestic. When the armistice brought actual hostilities to a close many things still remained to prevent an immediate resumption of pre-war trade between Europe and America. The scarcity of shipping was a very serious drawback, as were, and are, the variations in the value of exchange between the several countries. These conditions, however, have been gradually righting themselves. Scandinavian pulp and paper are again finding their way across the Atlantic into the American market, and, in the natural order of things, it will not be long before German products are again brought into competition with Canadian.

What Figures Show

Figures are available showing the value of Canada's exportations of paper, pulp and pulpwood for eight months only of the post-war period—from November, 1918, to June, 1919. They give a total of $63,298,688 for the later period, as against $53,505,200 for the corresponding months of the war period, showing a balance of $7,793,488 in favor of the post-war period. The figures, distributed by months, are as follows:

	1917	1918
November	$6,207,621	$8,166,466
December	5,930,162	7,235,699
	1918	1919
January	4,962,397	8,110,332
February	4,402,456	8,777,227
March	7,951,511	9,646,179
April	6,323,635	5,598,128
May	8,407,156	8,418,800
June	9,120,262	7,345,857
	$53,305,200	$63,298,688

From these figures it is arguable that the industry is at least holding its own in the world trade conditions that now exist, but it is also quite evident that to maintain its place in the international markets and to achieve anything like the same ratio of progress that was accomplished during the war years, the industry must be freed from all unnecessary schackling at home and must put forth the utmost efforts of which it is capable.

The Export Markets

The latest trade returns show that in addition to the United States, which continues to be our best market, we are now exporting pulp and paper products to the United Kingdom, the Argentine Republic, Australia, Brazil, British South Africa, China, Cuba, France, New Zealand,

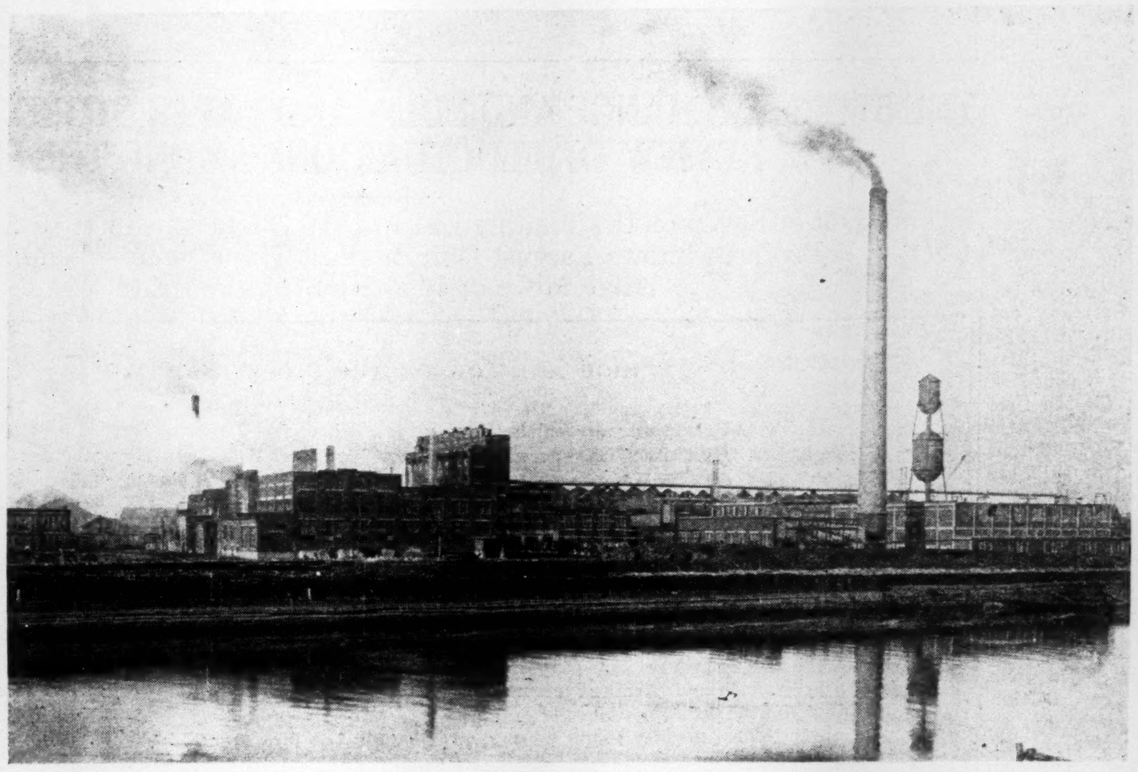
Continued on page 29.

Wayagamack Kraft Paper Acknowledged

The Equal of Any Made in the World

Remarkable Tribute Paid Canadian Mill by a Leading English Trade Paper

View of the plant of the Wayagamack Pulp & Paper Company at Three Rivers, Canada.



Where 200 tons of Kraft Pulp and 100 tons of the finest Kraft Paper are produced daily.

Extract from August 15th, 1919, issue of *The World's Paper Trade Review, (London, Eng.)*

Re CANADIAN KRAFT PAPER

"Last week when writing of the improved quality of kraft paper being produced by one English mill, we stated that 'even the Canadian samples lacked something of the real character.'

"Mr. W. S. Hodge, of the Hodge-Sherriff Paper Co., agents for Canadian Kraft Ltd., distributors of Wayagamack Kraft paper, has called upon us this week and takes strong exception to our remarks concerning the character of the Canadian Kraft paper. We have inspected samples which Mr. Hodge has handed to us of the M. G. Kraft paper produced at the Wayagamack plant at Three Rivers, Quebec, in weights 20 by 30, 17½ lbs. to 60 lbs. and these samples certainly prove that at least one Canadian manufacturer has nothing to learn from his Scandinavian competitors. The samples submitted are all that Mr. Hodge claims for them.

"The pulp is especially strong and clean, and an exceptionally high glaze is obtained, and the underside is specially smooth and free from grit. We willingly admit that these samples are the equal of any Scandinavian Kraft paper and it is a matter for congratulation that such a high quality is being produced in the British Empire.

"If the quality has ever varied from the high-grade shown us by Mr. Hodge, that gentleman points out that such will have been produced during the Great War, when a large number of Wayagamack's skilled workers had enlisted with the Canadian Forces so that the Canadian Manufacturer would for a time naturally be at some disadvantage in competing with a neutral country."

Address Inquiries to

THE WAYAGAMACK PULP & PAPER COMPANY
THREE RIVERS, CANADA

THE PROSPECTS ARE ENCOURAGING FOR AN INCREASED CONSUMPTION OF CANADA'S PULP AND PAPER IN ENGLAND

Not Only Needs Raw Materials, But Also Finished Paper

TRADE MISSION'S WORK

The Practical Marketing Methods of the Pulp and Paper Association Have Brought Substantial Results

By A. L. DAWE.

THE prospects of a greatly increased market for Canadian pulp and paper in Great Britain are very encouraging. It must first of all be remembered that not only does Great Britain have to import all of the raw material she requires for paper-making, such as wood pulp and esparto grass, but that even so her output of the finished products is not sufficient to provide for her normal demand and necessitates the importation of large quantities of various kinds of papers and boards, all of which Canadian mills are in a position to supply.

A. L. DAWE.
Secretary of the Canadian Pulp and Paper Association, associated with the Canadian Trade Mission in London, for the promotion of the interests of the Canadian pulp and paper industry in Great Britain.

What Great Britain Imported in 1913

It will be interesting to note from the records of 1913, which is the latest year which may be considered as a normal one, that there were imported into Great Britain that year the following:

977,647 tons of pulp.
181,552 tons of writing and printing papers.
204,520 tons of wrapping papers.
242,000 tons of various kinds of boards.

The supplying of any one of these items would in itself provide a handsome addition to Canada's export trade and the Canadian manufacturers are not proposing to let the opportunity of supplying at least a part of this excess demand slip by.

Already the majority of mills who are in a position properly to handle this export business have strongly entrenched themselves with the requisite selling organizations in England and have taken other means to press forward their claims to consideration.

Preference for Canadian Mills

The splendid work of the Canadian Trade Mission under the leadership of Lloyd Harris is not known or appreciated in Canada at its full value. but one fact stands out and is in itself sufficient to justify the existence of the Trade Mission. That is the advantage secured to Canada through the efforts of Mr. Harris in the British market for the several months during which rigid restrictions were maintained against imports from all countries other than Canada. The only factor that militated against a complete capture of Great Britain's pulp and paper import trade during these months was that of lack of shipping.

It is only fair to add also that after the facts had been made known to the ministry of shipping and the importance of encouraging the expansion of this "key industry" within the Empire had been impressed on the Government that a more sympathetic treatment was accorded in the matter of shipping, with the result that Canadian pulp and paper is beginning to move in ever increasing quantities.

Ousting Scandinavia in England

Canada as a producer of high grade pulp stands second to no other country. The success which attended the industry's efforts to oust Scandinavian pulps from the United States bids fair to be repeated in Great Britain, where the demand for what is known as "prime easy bleaching" sulphite pulp is certain to lead to a great increase in sales.

As far as paper is concerned Canada as a manufacturer of newsprint and of boards and wrapping paper has nothing to fear from any other country, either in regard to the quality or the price of her products. Even in the higher grades of paper, in which the British makers excel, the Canadian varieties possess certain characteristics that will ensure them a steady demand and a permanent market as their merits become better known.

It was undoubtedly expected by many that the famous "locked box" of Lloyd George would provide a scheme of tariff reform with definite plans for the long-promised colonial preference, and while it was a disappointment to find that no such policy is projected and that England's traditional policy of free trade is to be continued. the disappointment is offset in part by the knowledge that in the minds of all British purchasers of Canadian pulp and paper there exists a distinct preference and desire for our products, both for their intrinsic merits as well as for patriotic reasons.

"Free Trade" Policy

It is difficult to follow Great Britain's adherence to free trade, more particularly where Germany is concerned, although the argument chiefly used is that if Germany is to pay the indemnities exacted of her she must be allowed to trade where she will. That Germany or any other alien country should be thus allowed to benefit at the expense of the British manufacturers, many of whom have been led to expect some form of protection and have prepared accordingly, is something very difficult for a citizen of a highly-protected country, such as Canada, to understand.

Exchange Helps Germany

Germany's great advantage at the present time lies in the difference in exchange values between her own money and that of other countries. The British consumer, for instance,can buy German productions at the present time at a discount of from 15 to 20% as compared with the Canadian price. The value of the pound sterling in the money markets of the world also has a very distinct bearing upon the situation. In Germany at the time I am writing, the pound sterling is quoted at 87 shillings and 7 pence. Thus the English sovereign has increased in value for the purchase of German goods approximately 400% as compared with pre-war values. Unless steps are taken by the British Government to protect the British manufacturer against the threatened new commercial invasion from Germany, about which there is considerable doubt, I am afraid that the first of September, 1919, will prove to be a very real "Der Tag" for the German manufacturer and an equally disastrous day for some British industries. Below I give a table showing the purchasing value of the pound sterling in the different markets of the world on comparative dates in 1914, 1918 and 1919, the latter figures applying to Aug. 22:

The following table shows the value of the pound sterling in various countries (1) before the declaration of war, July 30, 1914; (2) at the armistice, November 11, 1918; (3) on the signing of peace, June 28, 1919; and (4) at August 22, 1919:—

	1914 July 30	1918 Nov. 11	1919 June 28	1919 Aug. 22
France ...	19/9	20/6	23/6	26/10
Belgium ..	19/11	....	24/5	27/11
Italy	20/10	24/-	29/1	31/8
Finland ..	20/2	....	44/7	59/9
Portugal ..	23/8	34/4	35/6	40/11
U. S. A....	20/4	19/7	18/11	17/3
Canada ...	20/4	20/-	19/6	17/9
Holland ..	20/1	18/11	19/5	18/9
Spain	20/7	19/1	18/5	16/8
Switzerland	20/-	19/-	19/10	18/10
Greece ...	19/11	....	19/4	18/4
Norway ..	20/2	19/4	20/3	20/1
Sweden ...	20/2	18/11	19/8	18/11
Denmark..	20/2	19/8	21/5	21/3
Japan	20/2	17/10	18/7	17/3
Brazil	22/11	25/10	24/7	25/-
Argentina.	19/10	18/6	18/7	17/4
Germany..	20/2	....	....	87/8

Pulp and Paper in the War

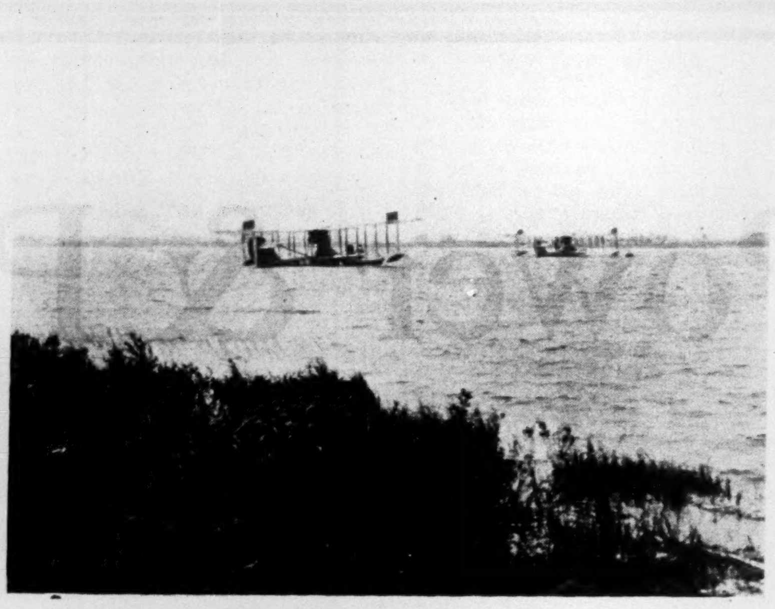
In conclusion, readers of the FINANCIAL POST will be interested in learning of the important part that pulp and paper played in the great British war machine during the war period, when upwards of 200,000 tons of these products were consumed in shells, shell-cases and the thousand and one articles of vital importance to the successful prosecution of the war.

G. R. Hall-Caine, son of the renowned writer, who served as assistant Paper Controller for England during the war, says, concerning this:

> "When I went to the Ministry of Munitions scarcely any paper was used in munitions at all. At the signing of the armistice nearly 2,000 tons of paper per week was being consumed by that department alone.
>
> "I am happy to think that I was able to draw upon Canada, so far as shipping difficulties allowed, for a large quantity of wood pulp, boards and kraft papers used for war purposes.
>
> "During the war it became necessary to find a substitute for the army type of jam-tin, as the metal became extremely scarce and recourse was made to paper containers with tin lid and bottom. In this way many thousands of tons of Canadian wood pulp board were used by the War Office and larger types of containers were made for the dried foods, rice, tea, coffee and cocoa for use at the front.
>
> "This will give some idea of the extraordinarily varied manner in which paper came to our help in carrying on the war."

Buying Within the Empire

In the past raw materials for the paper industry in Great Britain have been largely under enemy or neutral control and the hope is openly expressed in many quarters that what is virtually a "key" industry may, by a wise Government policy, be fostered and encouraged to flourish so that the Empire may be wholly independent of outside sources.


SEAPLANE FOR FIRE PROTECTION.
A couple of these are in use on Laurentide limits.

OPPORTUNITIES IN CANADIAN PULP AND PAPER INDUSTRY FOR THE CONSERVATIVE INVESTOR

An Expanding Demand For Canada's Forest Products

POINTS TO CONSIDER

Care Should be Taken in the Selection of a Company—Cardinal Features Which Should be Sought

By W. C. PITFIELD,
Royal Securities Corporation.

AN investment banking institution which assumes responsibility for the purchase and distribution of original issues of Canadian industrial securities on a large scale, needs must take primarily into consideration various phases of Canadian industry from a specially analytical point of view. Naturally, such an institution must concentrate on the development of those Canadian industries which are basic and peculiarly adapted to Canada. The fundamental necessities which industries capable of financial development should possess, among other requirements, large supplies of raw material, cheap power, close proximity to growing markets, and close proximity to labor markets.

A glance at Canadian Government statistics will indicate just what these basic Canadian industries are: They are agriculture and animal production, the production of iron and steel, the refining of nickel, the production of Portland cement, the production of lumber and pulp and paper and other basic commodities. These are the principal lines along which Canadian industrial development must proceed. Given these fundamentals of a successful industry and an investment banking institution can concentrate its engineering and financing abilities towards the development of that industry, and, in turn, after close investigation, is in position to recommend to its various clients the investment of their funds in the securities of the industry chosen.

Founded upon the best principles of industrial development, the business of converting the undeveloped natural resources of Canadian forests into marketable merchandise at a cost that can and does compete successfully in the world markets, stands out with pre-eminent strength in the field of Canadian industries. For, by reason of its ability to produce for export abroad and Canada's proximity to the United States (the greatest pulp and paper market in the world) this typically Canadian industry is not limited to the comparatively small local Canadian demand, which at present absorbs little more than 10 per cent. of the total pulp and paper production of this country. Of the remaining 90 per cent. of our pulp and paper production the United States absorbs by far the greater part, and American publishers are looking to Canada to supply their constantly increasing demand for Canadian forest products.

The Market Outlook

Moreover, with such a market as the United States at our very doors, besides the South American, Australasian, European and Japanese eagerness to purchase our pulp and paper and lumber, the forest industries of Canada have naught to fear from political jugglings with the tariff or any Government restrictions. While an analysis will show that the majority of Canadian industries are protected by a Canadian tariff wall which prohibits other countries from competing with Canada on a favorable basis for our local Canadian trade, the pulp and paper business has no such tariff wall protecting its small Canadian market. Nor does it need such protection because the Canadian demand is such a small portion—10 per cent. of the total demand for pulp and paper. The Canadian pulp and paper industry is primarily an exporting one. It is rapidly reaching such a position where it will not only have the controlling grip on the United States markets, but where as well there will be an increasing demand for its products from European and foreign markets.

Turning, then, to Government sattistics, the records show that in 1892 Canada exported $120 worth of pulp and paper products. In 1918, twenty-six years afterwards, pulp and paper exports had grown to approximately $100,000,000, with the result that this industry to-day, holds the position of being Canada's largest manufacturing exporting industry. Indeed, the extent to which the development of Canadian pulp and paper industry may continue is limited only by the capacity of Canadian forests and Canadian water powers, for experts figure that the world's annual consumption of paper, which is now in the vicinity of 1,000,000 tons per annum, increases at the rate of 2½ per cent. per annum. It should be pointed out in this connection that whereas considerable new tonnage is coming into effect in Canada, the extension of pulp and paper mills in the United States is, and has been for several years, practically nil by reason of the rapid depletion of the American pulpwood supply—the fact that their water powers are not as capable of economic development or as plentiful as ours—and the fact also that the United States Government has for years adopted a policy which is at variance with the growth of the American pulp and paper industry.

So that it is to Canada that the entire American Continent, in fact the entire world, looks for the larger portion of world supply of pulp and paper, and particularly (and this should be emphasized) looks to Canada and Canadians for new tonnage which must be put into effect from time to time to supply the increase in the world's normal consumption of

Continued on page 22.

FIVE POINTS FOR INVESTORS.

1. An ample supply of pulpwood which is capable of being delivered to the mill at a reasonable cost, which supply should insure operations of the mill for a period of from twenty to fifty years.
2. Sufficient water power to supply continuously and economically the hydro-electric force for operating such a mill.
3. Proper geographic location of the plant so that on the one hand raw materials such as pulpwood, coal and sulphur may be delivered at the mill cheaply, and on the other hand so that freight rates to consuming centres shall be favorable for the economic handling of outward traffic.
4. Proper and experienced management.
5. Sufficient working capital.

Canadian Pulp & Paper Association

CANADIAN · PULP · & · PAPER · ASSOCIATION ·
Registered Trade Mark

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GEORGE CHAHOON, Jr., Vice-President
A. L. DAWE, Secretary

304 Shaughnessy Bldg.
137 McGill Street - Montreal, Canada

Headquarters for Information Concerning Canada's Pulp and Paper Industry.

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St. Maurice Paper Company
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Head Office, 522-524 Board of Trade Building, Montreal

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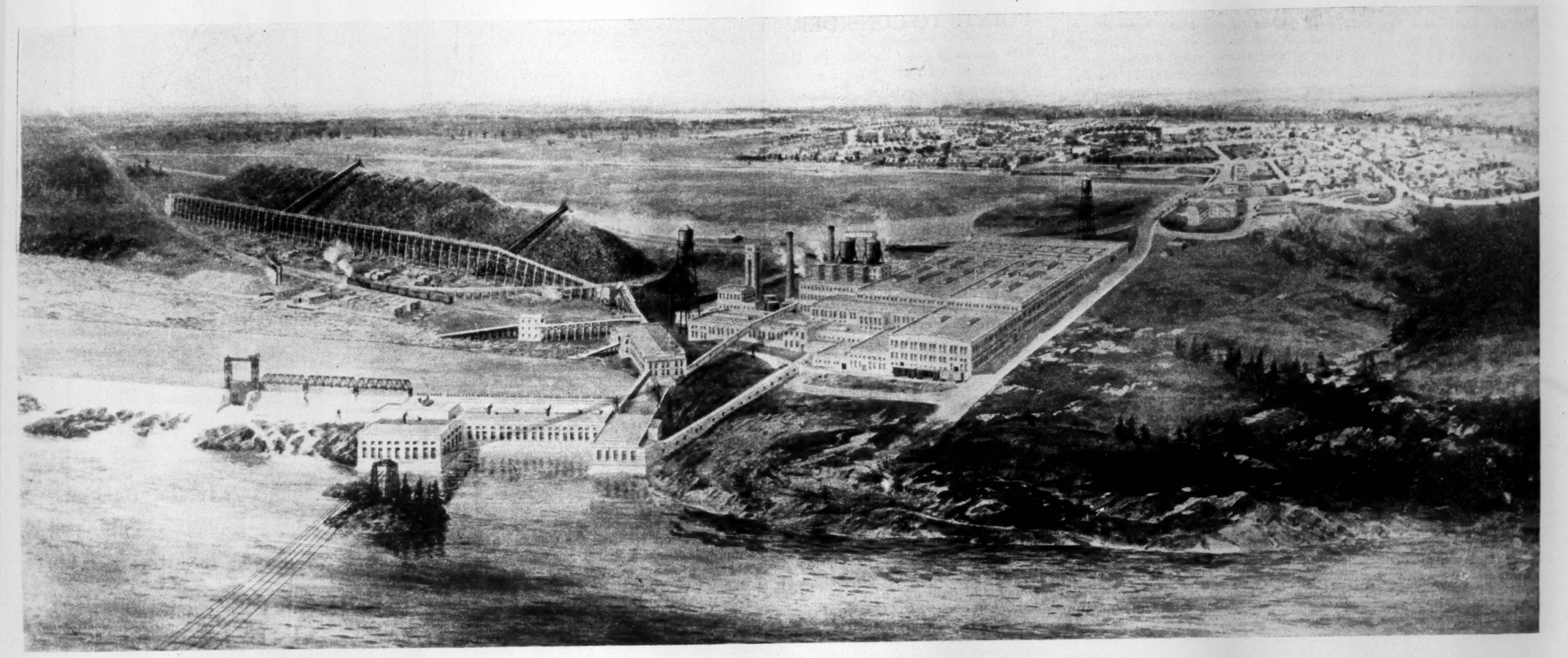
SAWN AND DRESSED LUMBER

Paper Mills, Cap Magdeleine, Que.
Lumber Mills, Charlemagne, Montcalm, St. Gabriel de Brandon, Three Rivers

Associated with
Canadian Export Paper Company, Limited
Sun Life Building Montreal, Quebec

Abitibi Power & Paper Co.
Limited
MONTREAL



General View of the Plant of the Abitibi Power & Paper Co., Limited

CAPACITY:

70,000 Tons Newsprint

35,000 Tons Groundwood Pulp

25,000 Tons Sulphite Pulp

Mills at Iroquois Falls, Ont.

REFORESTATION IS NECESSARY TO PRESERVE THE PULPWOOD LIMITS FROM VERY SERIOUS DEPLETION

Laurentide Company Working Up to Replanting Two Million Trees

GUARDS INVESTMENT

Cutting Arranged to Rotate Over Replanted Areas—Seaplanes for Surveys and Fire Protection

By ELLWOOD WILSON,
Manager Forestry Branch, the Laurentide Co.

THE man who invests in any business venture naturally wishes to know as much as possible about the various factors which make for the success of the enterprise. If he is buying bonds he wants to know that the security back of them is sufficient to reimburse him if the business fails. If he is a buyer of the stock he also wants to know what the chances are for earning the dividends which he hopes will be paid. The bond holder will look into the value of the buildings and plant, the real estate, the existence and value of good-will, if any, and everything else which might have a sale value. The stockholder is more concerned with intangibles than the bond-buyer. In addition to the physical side of the property, he wishes to know who the directors are and their character and financial standing; who the manager is; where and how large the market is for the product; where the raw materials and supplies are to come from, and what the shipping facilities are.

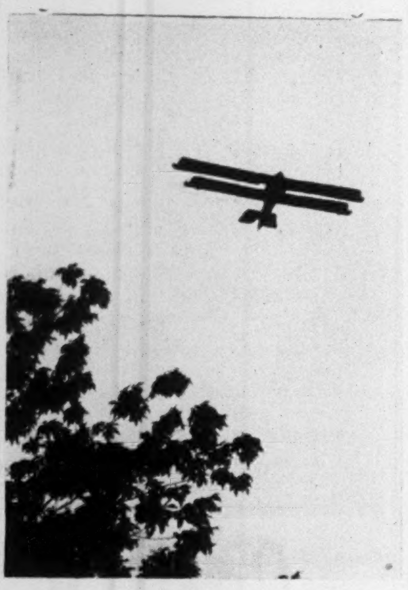
In both cases, however, the wise investor will be much concerned about the source and quantity and price of the raw materials which enter into the finished product. A plant which has only enough raw materials for a few years, or which has to face a continually increasing raw material cost, would not be considered a good investment. Only in the event of plans to set aside a certain amount each year for the complete amortization of the plant after a certain term of years, as in the case of a well managed gold-mine, for instance, would the careful investor be satisfied to put his money into an enterprise which faced a shortage of raw material.

Thought Woodlands Inexhaustible

The pulp and paper industry is one of the most important, perhaps from the point of view of trade balances and our exports the most important, and the person at present or prospectively interested financially in this business should look into the future supply of raw material, wood. In the beginning of this industry, when plants were few and small, little thought was given to this question. We were supposed to have vast areas of timber. In the case of most mills, the supply was literally at their back doors and they never troubled to ask about the future. In fact they operated their woodlands as though they were inexhaustible mines, except that no reserve was set aside for depletion. Explorations by trained foresters and studies of the rate of growth and yield of the different species have shown absolutely that the forests are not inexhaustible or even self-perpetuating. The fact that Canada has millions of acres of forests does not mean that we have unlimited supplies of timber. The trees may not be the kind we need, any more than a vacant lot covered with weeds is a vegetable garden; the trees we need may be so few in number on a given area or may be so difficult of access that the possession of forests of them may be of no more value than sea-water, known to contain a small amount of gold, is to the gold miner, or rich coal deposits at the north pole to the coal operator. In all the countries of Europe, except Russia and Siberia, virgin forests have gradually been cut away and their place taken by planted forests or those which renew themselves under conditions controlled by man. The end of the pulpwood supply in the Eastern United States is in sight within the next fifteen years approximately, and the day when the available timber for any given mill in Canada will be used up can be predicted with reasonable accuracy.

Plans to Save Limits

What shall be done to perpetuate our supplies within reasonable distances and costs of transportation, and in sufficient quantity to keep our mills running? There is, so far as has been discovered, only one answer, so to operate our forests that not a particle of wood shall be wasted, and to begin planting operations at once. Plantations can be made on lands near enough to the mills to make fire protection much cheaper and more efficient than in the virgin forests; wastes can be eliminated; huge storage piles which are needed for the winter months and which tie up large sums of money can be done away with, transportation and logging costs can be materially cut, and a better and more uniform quality of raw material can be produced. The cost is by no means prohibitive and the production per acre can be multiplied by eight.



An aeroplane is a quicker method of estimating contents of pulpwood limits than "footing" it.

The Laurentide Co., Ltd., was the first Canadian company to investigate the question, and had farsightedness and courage enough to tackle the problem "man fashion," and others are following in its footsteps. A determined effort to eliminate forest fires was begun in 1908 by the formation of a special department for that purpose and when the construction of the National Transcontinental Railway was begun a co-operative association was organized to prevent fires along the right-of-way and this developed into the St. Maurice Forest Protective Association, which has so reduced the fire hazard that the loss of merchantable timber is now less than one-hundredth of one per cent.

Using Two Seaplanes

This association is experimenting with two seaplanes, loaned by the Department of Naval Service, in the discovery and fighting of forests fires and in mapping timber limits, and the experiment so far shows that they will be of the greatest practical value.

In 1908 the first experimental plantations were made and these were continued on a small scale until 1914, when about 150,000 trees were planted. The nursery was enlarged in 1915 and each year since then, until now the number of trees for planting will reach two millions in 1921. This year one million trees were planted. It is planned to plant annually a little more than the number cut and to build up an area of approximately 400 square miles of planted timber which will be cut on a rotation of forty years, that is one-fortieth of an acre will be cut each year and immediately planted; this will supply timber in perpetuity to the mill.

Experimental Plots

As very little is known about the conditions of growth of the different pulpwood species on different soils experimental plots have been laid out and planted and careful studies are being made of just what takes place. An experimental area has also been laid out in the natural forests and growth under natural conditions is also being studied. Experimental cuttings are also being made to find out the effect of different logging methods and to improve them if possible. This latter work is being carried out under co-operation with the Commission of Conservation and the Department of Lands and Forests of Quebec, and much valuable information has already been secured.

THE STOCK EXCHANGE AND PULP AND PAPER STOCK; REVIEW OF FLUCTUATIONS AMONG THE FEW "LISTED"

Continued from page 17.

record in the matter of dividends before a great length of time.

The preferred has not been dealt in much. Last year it hovered around 90, and at the present time is around 106-107. Payments of dividends were begun in 1917.

BROMPTON

The Brompton Pulp and Paper Co. is emerging bravely from a rather unfortunate start on the Stock Exchange. The present company was organized in 1916 and stock was bought by the public over 90 during the time of inflation amongst most of the pulp and paper stocks of this period. When it went on the Exchange sales began at 79, but by the end of the year it had slumped to 43, after nearly 6,000 shares had been traded in. In 1917 it rose again a little to 58, but by October it had declined in spite of a 5 per cent. dividend, to 38, and ended the year at 39, with over 17,000 sales. The year 1918 saw an improvement in the position of the company and the stock since then has gradually strengthened, although all the time the memory of that drop to 38 was a retarding factor. The high for 1918 was 63¼, where the stock virtually is at the present time. The low for 1919 was 55¼, and the high to date is 66. An increase in the dividend to 6 per cent. is contemplated within a few months. In any case the shareholders have the satisfaction of knowing that the earnings for the latter half of 1919 will show a large increase over the first unsettled half, and the addition of three mills across the border, all earning well and giving a very substantial return to the company on the investment, will begin to make itself felt within a year or so in the company's financial position.

HOWARD SMITH

Howard Smith Paper Mills was listed on the Exchange in 1917 and that year the common paid 4 per cent. dividend, being 2 per cent. for each quarter, or at the rate of 8 per cent. for the year. This dividend was continued for the first quarter of 1918 but was then discontinued and has not been renewed. The stock started at 74½ in 1917, but dropped to 65 and there it was fixed by the minimum requirements during 1918, with one move up to 66. Recently there has been a material improvement in the position of the company so far as business is concerned, and the stock started moving a few weeks ago, and continued until a sale of 100 was made the second week of September. At the present time it is very strong around 95.

The movement started on the assumption that seems likely to be verified, that there will be regular dividends commencing about the first of the year if not before, and that a bonus will be paid in addition to compensate in part for the dividends that have not been met for the past eighteen months. The company, which last year had only one mill running for the greater part of the year, as the Crabtree mill was being turned over from newsprint to bond paper—has not only the new plant in operation at excellent business, but has increased the output of the Beauharnois mill, and it is reported that the rate of earnings for the month of August would pay a good dividend on the common many times over. The statement for 1919 should at least double, and probably show nearly three times the earnings of the previous year.

LAURENTIDE

The Laurentide Company took over the Laurentide Paper Company in 1911, and the stock was listed—the common only, as there is no preferred issue, on October 25 of the same year. The opening sales were at 145, but by the end of the year the price was up to 160, with total sales of 1,961 shares.

Up to 240 in September, 1912

In 1912 the stock proved a very active trader, and this year there were over 42,000 shares sold. The price rose steadily until in June it had reached 204, and 240 by September. This proved the high to date. It closed a little over 220. In 1913 it went up again to 224½, but eased off to a low of 162, with over 20,000 sales. In 1914 it held up stronger than in the latter part of 1913, and went to 192¾. When the exchange closed for the war in August the stock was registered at 163. Over 43,000 shares were dealt in for the 7 months to date. In 1915 the price resumed at 160 and rose by November to 198. The sales were 34,000. In 1916 it went off a little about the middle of the year to 160 again, but firmed towards the close and rose to 217½ in November, with 39,000 shares. This was the boom year in paper stocks.

Dividend Rose Rapidly to 12+3

Since 1912 the dividend had been 8 per cent. In 1917 the dividend rate was raised to 10 per cent., but the stock followed the general tendency to decline and fell from a high of 195 to 152 at the end of the year. The year 1918 saw progress again, for late in the year the dividend rate was increased to 12 per cent., and from November to December the price rose from 177¾ to 198.

In 1919 there was a bonus of 3 per cent. paid in addition to the regular rate of 12 per cent., and the stock reached a new high of 228 although in the slump of July and August it dropped to 207. During September it started on the upgrade again and rose rapidly to 224.

There is talk of a reorganization that would split Laurentide stock into three, and merge with it Laurentide Power under a holding company.

PRICE BROS.

Price Bros.' stock has manifested the only sensational rise of the year, and up to date shows a difference of 80 points between the low of 150 and the high at the time of writing of 230 bid. Large increases in earnings, with future possibilities in this respect that look to many almost unlimited, with a coming doubling of the common stock issue from $5,000,000 to $10,000,000, new paper machines with a largely increased output and a certain market, and other interesting sources of additional revenue, have combined to drive the price of this stock up to the highest on the market, passing its great rival in many respects, Laurentide, during the earlier part of September.

Common Rose 72 First Year

While the bonds of this company were listed in 1911 on the London Exchange, the common stock, which is mostly held by the Price family, appeared first in 1916, and started its career at 60. With a little over 2,300 shares changing hands this stock rose rapidly this first year to a high of 132 in November, with the boom helping somewhat. The next year, 1917, began with the stock at 120, and it held fairly evenly here except in July, when for a brief period it reached 134. The year ended at 120, with less than 1,000 shares sold. The first two years the stock was on a 6 per cent. dividend basis. The next year on 8 and 2, the quotation reached a new high of 151.

Rose 80 Points This Year

The present year it opened around 150, and in February the buying of a couple of 25-share lots sent it up to 190. Later on it fell back to 155. The first week of September it sold at 200 after a long absence from the tape. One day later it sold again at 210, and the bidding went up to 230 without dislodging any stock. Finally a lot was offered at 250 without any taker, however. A couple of days later a board lot sold at 225, which is fairly high buying for a stock that is on a nominal 8 per cent. basis.

PROVINCIAL PAPER

Provincial Paper Mills' stock has fluctuated less than any other in the list. In 1916 the stock was 56-57; the next year, 50-51; in 1918, 46-49, and this year so far it has ranged 51-55. It is on a 4 per cent. basis. The preferred has a much improved position of late. In 1917 and 1918 it was down to 78; this year sales have been made at 90.

RIORDON

The Riordon Pulp and Paper Company has had the reputation of being active spasmodically since the spurt it made in 1916, but for some weeks now it has been a fairly steady visitor on the ticker, and bids fair to assume more prominence forthwith. Very hopeful possibilities loom before it, as will be referred to later.

Reached High of 150 in 1916

When the stock appeared in August, 1916, a start was made at 67, but with a flood of buying the price rose to 150 in November. This was the high mark for the stock so far although it nearly reached this again this month. There were 54,650 shares in the five months of 1916, when the stock paid 3½ and 1 per cent. dividends. In 1917 there was paid 6 per cent. and a bonus of 4 per cent., but now it is on a straight 10 per cent. basis. By the end of 1917 it had reached its "minimum" level of 117¼, and held that until a short time ago, but at the present time it is about 24 points above the old minimum.

Immediately before the shareholders of the company is the likelihood of a generous dividend from the Ticonderoga Pulp and Paper Company, of New York, whose earnings this year are said to approach 200 per cent. on the price paid by Riordons for the company. Action is likely to be taken by the first of next month. Then the company has the controlling interest in the Kipawa Fibre Company, a new and very high grade bleached sulphide pulp mill, which it is believed will be more than able to compete with the best pulp that the Scandinavian mills can turn out. A profit running close to $1,000,000 is thought possible for this company when it gets going on a large basis. Then the grades of pulp that the Riordon mills turn out are assured of good markets, so that altogether those whom make strong predictions for the equity that will rest with the common shareholders in the near future have much to support their view.

The preferred stock never got below 92 since it was listed in 1916, an unusual tribute paid by investors. To-day it is around 95.

SPANISH RIVER

Spanish River Pulp and Paper Company common stock had a humble beginning on the Exchange. In 1915 it could have been bought as low as $3 a share, or as high as $7.25. It was caught up, with most other paper stocks, in the boom year of 1916, and the November high was 25, with a rapid drop in December to 15. This year there were 85,620 shares traded in on the Montreal Exchange, and 28,793 in Toronto, a total of nearly 114,000, as compared with 80,000 shares all told, indicating that much of the stock changed hands many times in succession. The slump in 1917 carried the price down to 13. In 1918 the range was not much higher, 13—20, so that the real rise has been confined to the present year. The sales in 1918 on the two exchanges amounted to 28,661 shares.

Dropped After Last Annual

The result of the annual meeting, with the postponement of action on the preferred dividends until early next year had the effect of depressing both common and preferred.

Preferred With 42 Per Cent. Arrears

The preferred stock has occupied a unique position this year: it has held an additional equity in the form of arrears in dividends that were cumulative, and this, with confidence in the realization of these arrears during 1919 has acted as a guiding star, and the stock has responded with almost 60 points rise. The majority, consisting of $3,000,000, dates back to July 1, 1913, so that six years, or $42 a share, were owing by the first of last July. A second section of preferred stock, amounting to $2,699,100 was dated July 1, 1914, and to bring the two on the same basis a warrant for the year's dividends, July 1, 1913, to July 1, 1914 was issued a short time ago. Besides this, 35 per cent. is now owing on the combined issue of $5,699,100.

Pay Arrears Next Year

At the annual meeting held a few days ago the shareholders approved of a plan for issuing $5,000,000 in 6 per cent. serial mortgage lien notes. A portion of the proceeds will be used to liquidate on February 1 next the talons and promissory notes that were issued to cover arrears in interest on notes and bonds. Had this course not been taken, no dividends on preferred could have been paid until 1922. Next February, however, a plan for payment on arrears of the preferred, it is expected, will be announced, and may take the form of a "funding" operation. In any event it is believed that current dividends will then be begun.

WAYAGAMACK

Wayagamack stock was listed on the Montreal Exchange the beginning of 1916. It started off at a moderate pace at 27, but by the middle of the year had risen to 55. The rest of the year saw it carried along in the general rise of pulp and paper stocks, but it was accelerated by a struggle for control that resulted in an exchange of over 54,000 shares during the year, and a high mark of 112⅛ in November. Early in 1917 the stock fell below 90, and by the following November was down to 50 again. Here it was "pegged" when minimum prices came in. A few flurries occurred now and then, with 55 as the high this year until the minimum regulations were removed. Then there was a drop to 46.

Mysterious Buying Last Few Weeks

Suddenly, a few weeks ago, buying of heavy proportions started, which has continued since, with the stock rising to 70½, and then reacting. What is behind the movement has not yet come up, although there are rumors of Laurentide attempting to secure control. The possibilities of dividends early next year hardly account for the sustained buying that has been taking place.

TORONTO PAPER

Toronto Paper Mfg. Co.'s stock was listed in September, 1912, and opened around 70, holding around 69 or 69 for the rest of the year. In 1913 it rose to 100½ in May, but declined to 58 at the end of the year. In 1914 it fell further to 30, and in 1915 held between 35 and 55. In 1916 it was carried up to 91, closing at 75. In 1917 the range was between 90 and 72, and in 1918 between 72 and 69. It has gone a little higher this year.

Belgo-Canadian Pulp & Paper Co.
Shawinigan Falls, Quebec, Canada

Manufacturers of
Newsprint
Sulphite
Ground Wood
also Lumber

Affiliated with
Canadian Export Paper Company
Sun Life Building Montreal, Quebec, Canada

THE NATURAL REPRODUCTION OF PULP SPECIES

Some Varieties Are Very Slow to Attain to Maturity

GROWTH OF SPRUCE

Report Says it Takes 40 Years to Acquire Diameter of One Inch and 100 Years to Reach Six Inches

The following is an extract from a report on an investigation of the reproduction and growth of the pulpwood species after logging in Quebec, carried out by Dr. C. D. Howe, of the Forestry Staff of the Commission of Conservation. The object of the investigation, according to the report, was to determine the condition of cut-over lands with respect to the regeneration and rate of growth of the present pulpwood-producing species, namely, spruce and balsam, with a view to estimating the future crops-

"The result of the investigation," it is stated in the report, "show that the optimistic attitude of lumbermen and limit holders in regard to the reproduction power of this type of forest is not justified. The good yields of pulpwood material at the end of each of the several cuttings in the past thirty years do not represent the amount of growth accrued during the intervals between cutting periods, but are obtained by cutting successfully smaller trees, and, in general lower grade, and, in general lower grade material and also by including a larger proportion of balsam in each cut. For example, the spruce stumps were measured and classified according to the age of the cutting on the sample plots, totaling 50 acvres, and the results are here stated: In cuttings from 15 to 20 years old, the average diameter of the stumps was 15 inches; cuttings 10 to 15 years old, 12 inches; while in cuttings less than 10 years old, the average diameter was 11 inches. This shows a reduction of 4 inches in the average diameter of the trees taken within the past 15 to 20 years. The actual reduction, however, is doubtless greater, since the measurements record the present diameters of the stumps without making allowance for reduction in size by decay in the past two or three decades.

The tallying of the stumps on the sample plots showed the following incease in the proportion of balsam cut for pulpwood: On areas lumbered earlier than 15 years ago, no balsam was cut. In cuttings from 10 to 15 years old, 65 per cent. and 35 per cent. respectively, were spruce and balsam. In cuttings 5 to 10 years old, 45 per cent. of the stumps were spruce and 55 per cent. balsam, while in cuttings less than five years old, the proportion is 22 per cent, spruce to 78 per cent. balsam.

The casual observer is in danger of being misled if he bases his prediction of an abundant future crop of pulpwood upon the number of young spruce and balsam trees beneath the forest. The amount of future pulpwood material, and the time of harvesting the crop, depend as well upon the rate of growth exhibited by the young trees now present.

Rate of Growth

Over 2,000 trees were analysed to determine their rate of growth in diameter, height and volume. While the results of this study have not yet been tabulated, they have gone far enough to justify the statement that within the forest type under consideration, it takes about 40 years for the little spruce trees to acquire a diameter of one inch; 100 years to make a six-inch tree, and 150 years to reach the minimum diameter limit of 12 inches, established by the cutting regulations in Quebec, for white and black spruce. Balsam grows somewhat faster. A one-inch tree is made in about 16 years, and it takes in the neighborhood of 70 years to reach the Quebec diameter limit of seven inches at two feet from the ground.

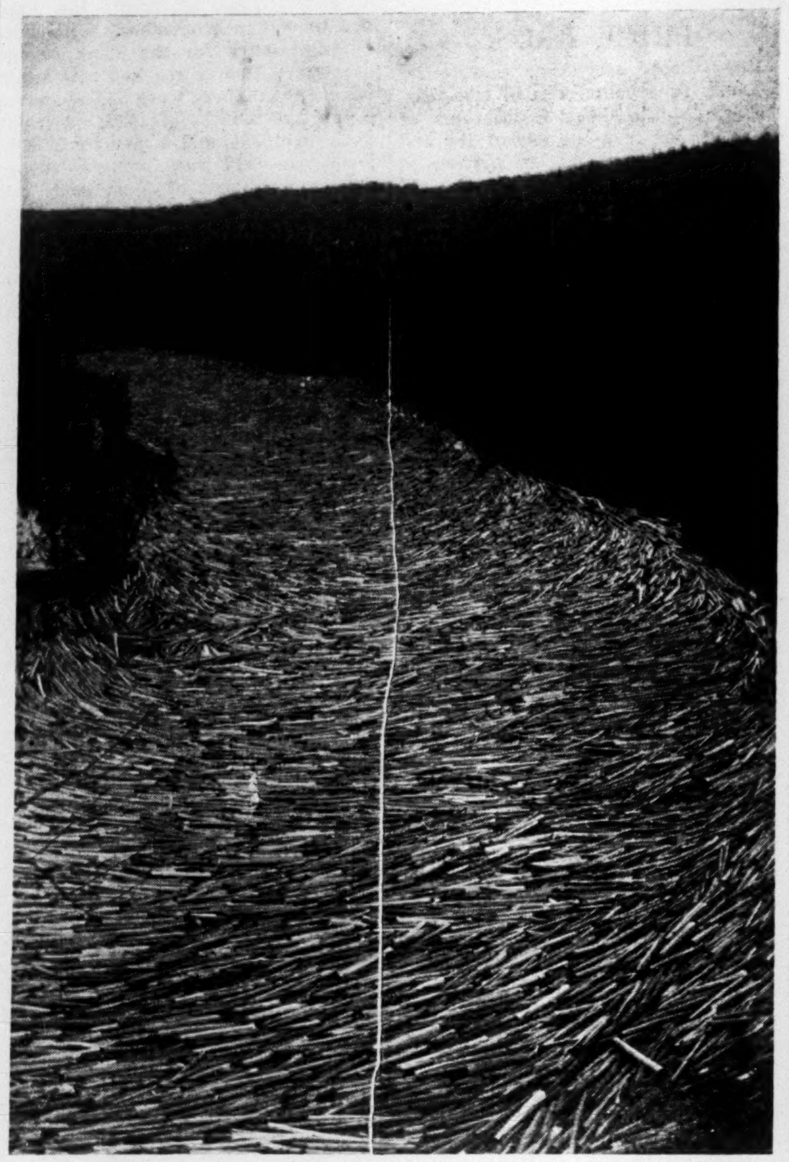
These statements refer to the time required, under the given conditions, to make a merchantable forest from the seeding stage onward. It will be seen from the foregoing table that there are 30 spruce and 59 balsam trees from 4 inches to 8 inches in diameter already present on the average acre. They will furnish another crop of pulpwood material in time, but here again the time is long. The growth tables show that it will require about 70 years for the 4-inch trees and about 50 years for the 8-inch trees to reach the 12-inch diameter limit. The larger balsam, however, will be merchantable in 10 years or less.

Cuttings Must Be Delayed

There are only six spruce and six balsam trees over eight inches in diameter, on the average acre in this culled forest. This number is too small to justify exploitation alone, so that the next cutting must be delayed until a sufficient number of the smaller trees reach merchantable size. Just how long this will be can not be determined until our figures are more completely digested, but we have certainly gone far enough to disprove absolutely the frequent assumption that such lands can be cut over every 20 years and the same amount of material secured as before. On these heavily-culled lands, it will probably be found that. henceforward, a period of from 30 to 60 years must elapse between cuttings, if only spruce and balsam are to be removed.

It is, of course, obvious from the foregoing that one of the fundamental problems most urgently demanding solution is some method of utilizing the very large quantities of hardwoods, principally yellow birch. If these could be removed, the rate of growth of the spruce and balsam would be accelerated, since the heavy overhead shade would thus be greatly diminished, making more light available for the pulpwood species. As long, however, as the tendency of every cutting operation is to convert the area more and more into a hardwood forest, as is now the case, the problem is exceedingly difficult, if not wholly impossible, of practical solution. Much further investigation will, of course, be necessary before final conclusions can be drawn as to what modifications are necessary in the silvicultural treatment of these forests, which have now become so valuable.

HALF A MILE OF PULPWOOD.
(25,000 cords.)



Boom of logs on Tobique River, N.B., at mills of Frasers, Limited, Plaster Rock.
—Courtesy of Royal Securities Corporation.

OPPORTUNITIES IN CANADIAN PULP AND PAPER INDUSTRY FOR THE CONSERVATIVE INVESTOR

Continued from page 19.

newsprint and pulp and paper products.

The Balance of Trade

Apart altogether from other and narrower viewpoints, too, there is the broad economic influence exerted on Canada's natural position by the serious adverse balance of trade which the United States has against Canada. This adverse balance of trade, which may be explained as being the fact that we buy from the United States much more than we sell to her has reduced the value of the Canadian dollar to approximately 96 cents in the United States. In view of the fact that the Canadian pulp and paper and lumber industries export approximately 90 per cent. of their product, chiefly to the United States, it is patent to Canadians that our forest industries are doing yeoman service towards the reduction of the adverse trade balance which the United States year by year piles up against us, and which adverse balance can only properly be rectified by less purchases and more sales of commodities to the United States.

It is, therefore, not surprising that investment bankers of this country should turn their utmost resources towards the development of the Canadian pulp and paper and lumber manufacturing industries, nor need there be a feeling of wonder at the large absorption by the Canadian investing public (over $15,000,000 of new issues since January 1) of securities of Canadian pulp and paper and lumber companies, nor should there be any wonder at the large appreciation in value that is constantly taking place in the shares and securities of well-managed and conservatively-financed Canadian pulp and paper manufacturing compnies.

Points to Consider

However, the average investor must not think that the securities of any pulp and paper company offered to him represent unquestionable security of principal and likelihood of appreciation in value. Investments in all companies in Canada for the manufacture of pulp and paper products are not by any means always to be regarded as sound from the investor's standpoint. Every era in the Canadian development of a particular industry brings forth a large supply of securities of doubtful value. A word of timely advice to Canadian and American investors is needed at the moment. There are certain essentials necessary to a pulp and paper proposition before it should be considered as basicly sound.

An enterprise which, through insufficient or deficient investigation at the outset failed to provide any of the foregoing cardinal features, would undoubtedly be foredoomed to failure. A lack in the fourth or fifth necessities might still leave the enterprise open to remedial methods, but the first, second or third necessities, if not fulfilled., would undoubtedly wreck any undertaking even if the best management and unlimited capital were provided. For the capacity of the Canadian forest has its limits. and the limit of the supply of pulp-selling at prices which are high in wood in many localities is defined with alarming clearness, despite the belief that our forests are inexhaustable.

It has been a matter of common expression to the writer many times that securities of several of our Canadian pulp and paper companies are view of the dividends which these companies are paying. To anyone familiar with the pulp and paper business there is one fundamental reason which will make the securities of such companies sell at much higher prices as time goes on. The reason is that such companies possess very large supplies of raw materials in the shape of extensive holdings of pulpwood. and also own suitable water powers situated adjacent to their pulpwood areas, which necessities make the ideal combination for a successful pulp and paper business, and the value of which is constantly increasing.

If the reader will scan a list of wealthy Canadians, he will find that the fortunes of many lumber and pulp and paper operators can be traced directly, not so much to their average yearly earnings from their operation of extensive timber holdings, but rather to the increase in value from time to time which needs must take place in their holdings of large supplies of any raw material in regard to which the total world's supply is constantly decreasing.

It must be remembered, also, in dealing with any industry, that there are periods of depression and of small profits as well as periods of prosperity and correspondingly large profits. But a pulp and paper industry possessed of an ample supply of cheap pulpwood and an ample supply of hydro-electric energy, should stand up well in any period of depression which may reasonably be expected to take place in the future on account of its low manufacturing costs.

It must be remembered that long term mortgage securities such as are purchased by investment banking institutions must of necessity stand the acid test of twenty or thirty years (the life of the security) as regards value of assets and their yearly earning power. It therefore behooves the investor to consider the probable future of the industry he is considering before he invests his money in long term mortgage securities of Canadian industries. Large supplies of raw material are essential to such a long time test.

Investment Prospects

Taking into consideration, then, the possession of the fundamentals outlined above which are necessary to successful operation over a long period, and having satisfied himself that the securities are sponsored by an organization which is practically capable not only of conducting an investigation from the standpoint of ripe experience, but also is capable of carefully scrutinizing the financial affairs and operations of such company over a period of time and taking into account the average profits of such an industry for both prosperous and depressed periods, the investor will find that an investment in securities of Canadian pulp and paper companies which possess these fundamentals will return a satisfactory interest or dividend yield on his investment over a long period, and will not only secure very satisfactory interest return, but will see a reasonable and satisfactory appreciation in value of the security that he holds over a period of many years.

The writer recommends to every Canadian who wishes to see his country developed to the high position of financial prosperity which it should enjoy, the development by every means in his power, both financial and otherwise, of the Canadian pulp and paper industry.

There are 91 incorporated companies and other concerns in Canada engaged in manufacturing pulp or paper. Their combined capital is estimated at $200,000,000, which is a greater amount of capital than is invested in any other industry, with the exception of hydro-electric power development.

Canada's first large paper mill was built in 1865, and produced 1½ tons of paper in 24 hours. To-day a modern paper mill produces from 250 to 300 tons in the same length of time.

Prior to 1800 all paper was made of rags. Since that time wood-pulp has formed the basis for all the ordinary grades of paper, including that used for printing newspapers.

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But one thought is in the mind of Canadian big business to-day—EXPORT.

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In 1890, Canada's exports of pulp and paper totalled **$120.** By 1912, they had grown to **$14,600,000.** In 1917, they had nearly quadrupled to **$52,000,000.** For fiscal year 1918-1919, they ran close to **$100,000,000**—nearly double what they were two years before.

To-day, the Pulp and Paper Industry is the largest of Canada's manufacturing EXPORT industries.

The future market for its products is limited only by its capacity to produce; and an immediate expansion is imperative if Canada is to cope with the sustained and increasing world-demand for her pulp and paper products.

It is because the possibilities of the Industry are only beginning to be appreciated by Investors that its chief requirement to-day is more capital.

For the same reason, the price of its securities is low in relation to their safety and income-return, and they therefore offer reasonable assurance of enhanced value as the possibilities of the Industry become more widely known.

It is for these reasons that, after minute examination by our staff of technical experts, we are backing the mortgage securities of Pulp and Paper Corporations that combine capable management and conservative capitalization with extensive timber holdings and large water-power resources.

In turn, we recommend these mortgage securities to the support of Investors as investments that are at once safe, profitable and patriotic.

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CANADA'S HOPE OF CONTINUING AS GREAT WORLD PULPWOOD FACTOR LIES IN REFORESTATION POLICY

Problem Is One Largely For the Government to Deal With

COMPANIES AT WORK

A Number of Concerns Are Taking Up the Matter—Fire Protection and Replanting Necessary

By CLYDE LEAVITT,
Chief Forester, Commission of Conservation.

TOO much emphasis can not be laid upon the importance to Canada of her forests, in the support and development of her commercial and industrial life. There is, however, great danger of inadequate attention being paid to the perpetuation of this great resource, so that it may always be available, and to an adequate extent, for supplying the needs of the home population, as well as for further building up the great export trade in forest products which already means so much in our business life.

The forest is a crop like other crops, the principal differences being the long-time element involved in growing it, and the fact that it is at home on non-agricultural lands, largely valuable for no other purpose. Thus far, our forest industries have largely been supported by the exploitation of virgin timber stands—the free gift of nature, grown without man's intervention or care. The formerly prevalent idea that our timber supplies are of inexhaustible extent is now known to be a dangerous myth—dangerous because such an idea tends largely to discourage the effort necessary to the perpetuation of the forest on cut-over lands.

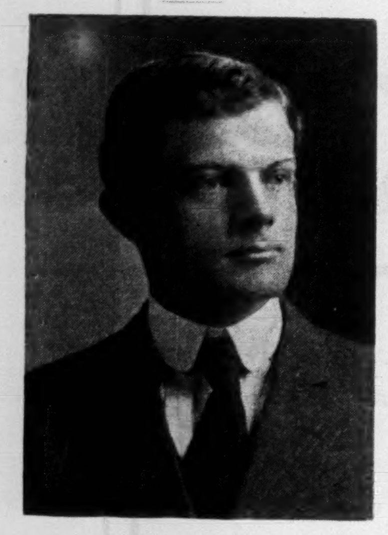
In the United States, intelligent citizens are already becoming seriously alarmed at the growing shortage of timber supplies, and much discussion is taking place as to what can be done about it. According to Chief Forester Graves, of the U. S. Forest Service, the dissipation of the forests in that country still goes on with no let-up. He points out that "exhaustion of local forest supplies, the closing of industries dependent on them, the embarrassment for supplies of the pulp mills and other consumers using special classes of forest products, the generally mounting prices to consumers, are other factors which are calling sharp attention to the effect of forest destruction, and are causing increasing public uneasiness. Leaders of the southern pine manufacturers state that the bulk of the original supplies of yellow pine in the South will be exhausted in 10 years, and that within the next five to seven years more than 3,000 manufacturing plants will go out of existence. Already paper manufacturers are embarrassed for supplies. Hundreds of communities are suffering because the resource supporting their chief industry has been exhausted. Sawmills and woodworking establishments close, subsidiary interests can no longer exist, the population moves away, farms are abandoned, roads and other public improvements deteriorate, and whole townships and even counties are impoverished."

Most in Canada on Crown Lands

It must, of course, be recognized that the situation in the United States is fundamentally different from that in Canada, in that the great bulk of the timber in the former country is on lands held in private ownership and therefore, not thus far subject to restrictions as to cutting methods, while in Canada, all but a comparatively small proportion of the forests are on Crown lands, and are, therefore, subject to such cutting regulations as may be prescribed by governmental authority.

In this lies the hope of the future for Canada, since forestry is, as a general rule, primarily a matter for governments rather than for individuals or even corporations. Since, however, pulpwood can be grown in a much shorter period of time than saw timber, progressive pulp and paper companies are already considering it to be good business to prepare for the systematic growing of at least a portion of their necessary supplies for the future, and are proceeding accordingly. This, by the way, is indisputable evidence that the shortage of pulpwood supplies over considerable areas in Eastern Canada is already upon us, were such additional evidence required.

It certainly requires no great powers of observation to determine that in Eastern Canada, for example, are enormous areas of cut-over lands which are in an absolute or relatively unproductive condition. These lands are of course, generally speaking, the most accessible to existing transportation, where stumpage values would be highest and where the existence of a permanent supply of timber would be of the greatest value to all concerned.



CLYDE LEAVITT
Chief Forester, Commission of Conservation, Ottawa.

Productiveness Not Being Maintained

Studies made by the Commission of Conservation, in co-operation with the Laurentide, Riordon and Abitibi Pulp and Paper Companies, and in collaboration with the provincial forest services of Quebec and New Brunswick show conclusively what the productiveness of the forest is not satisfactorily maintained by present methods of cutting.

Companies are continually having to go further and further afield to secure necessary timber supplies, and the cut-over lands they leave behind, are for the most part, not left in a condition that promises the possibility of a second cut within any reasonable length of time.

If a reasonably satisfactory forest stand is to be produced on lands to be cut over in the future, particularly in the mixed forests, some way must be found by which it will be possible to so modify present methods of exploitation as to favor the reproduction of the coniferous species. Protection from destruction by fire is sufficient, though this is of the first importance, and is a matter in which great progress has been made of late years. Millions of dollars of damage is being done by the spruce budworm and other insects in the pulpwood forests of Eastern Canada. The loss of balsam is particularly severe, the spruce suffering less, though still seriously. The withdrawal from prospective utilization of the large volumes of timber so destroyed only services to make more urgent the necessity for recuperative measures.

Tractors For Log-Hauling

One aspect of the problem involves utilization of the hardwood species at present comparatively valueless, particularly on the more remote limits, but whose increased spread and growth is consistently favored through the continuous removal of the conifers. Our mixed pulpwood forests are rapidly being turned into hardwood forests as a result of this process. The solution of the problem involves finding some method by which the hardwoods can be transported to market and there utilized. Heavy loss from sinkage in stream driving in the greatest difficulty, though experiments by the Riordon and other companies show that hardwood logs can be driven successfully up to 90 miles. Presumably this may be increased if some feasible method of first partially drying out the logs can be demonstrated. Possibly, also, the use of tractors for log-hauling may assist in solving the problem. New railway construction will assist in some cases.

Use Birch in Mixture

At any rate, pulp and paper companies must find some means of transporting and utilizing their hardwoods if they expect to retain their mixed forest lands in a productive condition. Already, it has been shown by the Laurentide Company, for example, that birch can be successfully used in mixture with spruce and balsam in the manufacture of groundwood pulp for newsprint. There is also a good market for hardwood lumber.

The determination of what cutting regulations are necessary, in order to ensure the adquate reproduction of the forest on cut-over lands, is a problem which will tax the best efforts of both the forestry profession and the operators. While the problem still awaits solution, it is being attacked by the Commission of Conservation, the Dominion Forestry Branch, the Quebec Forest Service, the New Brunswick Forest Service, and by a number of the more progressive pulp and paper companies, such as the Laurentide, Riordon, Abitibi and Bathurst concerns. The first three of these companies are, in addition, taking time by the forelock, by initiating extensive planting programs, to supplement the natural growth on cut-over lands. The inauguration of similar work by other concerns is more than likely.

Phenomenal Growth of Forest Industries

Canada's forest industries have experienced a phenomenal growth. The value of the products of the lumber industry was, for example, $115,884,905 in 1917, an increase of 68.40 per cent. over 1915. The pay roll of employees on salaries and wages amounted in 1917 to upwards of $21,000,000, according to the Bureau of Statistics. Census figures for the pulp and paper industry show that in 1917 there were 83 mills in operation, with a production of $96,340,327. The total cut of pulpwood in that year was 3,122,188 cords, of which approximately one-third was exported to the United States, presumably cut from freehold lands. In the face of this large exportation, valued at approximately $8,000,000, and the exportation to the same country in the same year of 473,849 tons of wood pulp, valued at $23,049,292, the provinces of Eastern Canada are faced with a demand from United States interests holding Canadian timber limits, for a modification of the present restrictions upon the exportation of pulpwood cut from Crown lands.

11% of U. S. Requirements

Already the United States supplies one-fifth to one-third of its pulpwood requirements and over 11 per cent. (1917 statistics), of its wood pulp requirements through importations from Canada. If these growing requirements are to be met continuously, in addition to meeting the increasing demands for pulp and paper from Great Britain and other European countries, it is obvious that steps must be taken to retain our forest lands in a continuously productive condition. Canada is a pulp and paper country par excellence, and the amount of business she can do in the future will be limited only by the supply of raw material.

Provincial Forest Revenues

The importance of this viewpoint is also indicated in the matter of provincial forest revenues. Quebec, for example, derived in 1917 a revenue from her Crown timber lands aggregating $1,568,157. The corresponding figures for Ontario were $1,695,703, and for New Brunswick, $443,848. All these may be greatly increased, if adequate atention is given to maintaining the cut-over lands in a productive condition, and if sufficient care is given in the important matter of scaling methods.

In the solution of the problem, every consideration must, of course, be given the economic aspects of the situation, so that the remedies shall be practical from the viewpoint of the operator, as well as correct from the technical aspect. The problem is by no means solved, but there is at least great encouragement in the fact that it is being attacked by the combined efforts of both timber owners and governmental agencies.

Census Figures

In the value of its exports the pulp and paper industry leads all other manufacturing industries in Canada. It is fifth amongst all closses of exports, including explosives, according to the returns for the fiscal year ending March 31st, 1919. Under present normal conditions the production would rank third among all classes of export (with no explosives now), and with meats showing less than $1,000,000 ahead will this year be a good second in the list, the only one exceeding it being grain and grain products. Following is the list covering the fiscal year ending March 31, 1919, as compared with the preceding year ended March 31st, 1918, including the ten leading classes of exports.

	1918	1919
Grain and grain prod..	$518,921,459	$226,707,341
Explosives	386,340,290	247,241,825
Meats	79,899,705	84,797,202
Pulp and paper prod'ts	63,486,222	83,872,566
Wood, unmanufactured	51,829,121	69,960,031
Dairy products (butter, cheese and milk)...	44,465,947	49,247,646
Iron and steel products	45,810,367	12,335,933
Fish of all kinds.....	31,752,258	36,392,626
Vehicles	22,776,590	27,333,203
Copper	21,576,611	20,965,385

The census taken by the Government in 1917 shows the total capital invested in the industry as over $186,000,000, which would now far exceed $200,000,000. Other census figures show an increase from 1915 when there were eighty active pulp and paper mills in Canada, with a value in production of over $40,000,000, to 1917 when there were eighty-three mills in operation with a production of $96,340,327, or an increase for the two years in production of close to 140 per cent.

The census also provides further means of indicating the rapid growth of the industry. The total cut of pulp wood was 2,355,550 cords in 1915, and this has increased to 3,122,188 cords in 1917. In this period export of pulpwood had risen from 949,714 cords to 1,017,854 cords in 1917.

QUEBEC FORESTS ONE OF RICHEST TIMBER SOURCES

A Great Factor in World Supply of Pulp and Paper

WATER POWERS TOO

Suitable Hydro Developments Can Be Made For the Continued Expansion of a Great Industry

Prepared for THE FINANCIAL POST by the Lands and Forests Department of the Province of Quebec.

Considered in their entirety, the forests of the Province of Quebec may be said to constitute one of the richest timber sources in the world, through the great quantity of softwood suitable for lumber and pulp, and the great natural facilities which are offered to exploit them. It could be added that, thanks to the considerable quantity of water-powers available and of which only a small portion has been utilized so far, the manufacturing of lumber and of pulp and paper is greatly facilitated.

They may be divided into three quite distinct zones:

1. The plain zone.
2. The Alleghanys zone.
3. The Laurentian zone.

The forests can be classified in the following manner:

	Acres.
1—Private forests	6,000,000
2—Forests leased as timber limits	44,500,000
3—Forests on lots under location ticket	1,300,000
4—Township forest reserves..	200,000
5—Forests not in timber limits.	78,000,000
Total	130,000,000

The estimate of the forest wealth which is to be found in these different types of forests has been placed by Mr. G. C. Piche, Chief of the Forest Service, at $600,000,000.

The details of that estimate follow:

50 billion feet, board measure, of white and red pine, worth.	$200,000,000
125 billion feet, board measure, of spruce and balsam fir...	250,000,000
100 billion feet, board measure, of pulpwood	100,000,000
35 billion feet, board measure, of hardwood, birch, maple, etc.	25,000,000
20 billion feet, board measure, of cedar	25,000,000
	$600,000,000

According to the 1918 Statistical Year Book, the total value of the forest products was, in 1917, of $35,385,196.30. Saw-logs and pulpwood were the most important products; the value of the former was $17,270,908.23, and that of the latter $13,298,668.60. To enhance the importance of the forest industries in Quebec it can be said that there are approximately 2,000 saw-mills operating, some 305 cutting yearly from 500,000 feet board measure upward of 20,000,000 feet board measure.

The pulp and paper industry is represented by 31 mechanical and chemical pulp mills. The pulp and paper industry has made very remarkable progress since 1900, and more particularly since 1910, when the Government prohibited the exportation of pulpwood cut on the timber limits, thereby compelling the manufacturers to erect pulp mills in the country. The forests of Quebec are not only producing for local consumption, but also for exportataion. The statistics for 1917 give 178,779,545 feet board measure of timber shipped outside of the province as saw logs and place at $5,197,114 the value of pulpwood exported in 1916.

Of the total output of forest products the larger portion comes from the timber limits. So are called timbered areas, varying in extent and in resources, which are leased, at sundry periods, by public auction, after a thirty days' notice. The lessee acquires the right to cut the merchant-

Continued ou page 30.

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---in Canada

The first mill built to make finished high-grade bond and writing papers was built in 1882 at St. Jerome, P.Q., by the Rolland Paper Company, Limited.

The site was well chosen on the North River, where excellent water-power was developed and an abundant supply of pure clean water was assured, which is extremely important in producing high-grade paper.

The mill was equipped to produce a loft-dried and tub-sized paper of the highest order, and immediately specialized in an all-rag paper which was watermarked — **Superfine Linen Record.**

In 1885 this paper captured the Gold Medal at Antwerp, in 1893 the Gold Medal at Chicago, and in 1900 the Grand Prix, Paris. To-day it is the most widely used high-grade paper in Canada, and easily conceded to be Canada's best paper product.

In 1912 The Northern Mills Company at Mont Rolland, P.Q., was taken over by The Rolland Paper Co., Limited, which enabled the Company to increase its production and make a complete line of bond and writing papers, all of which bear the "R Shield" watermark.

In recent years several mills have been built to produce bond, writing and book papers.

A few years ago the percentage of Canadian-made papers of this class used in Canada was small. To-day the reverse is true—and there is also a lively enquiry for Canada's high-grade product for export.

The prosperity of the industry is a good thing for Canada as a whole, and a good thing for paper consumers.

Why not see that your printer supplies you with Canadian-made paper? and for your protection specify "Rolland Quality," and look for the "R Shield" watermark.

The "R Shield" R Watermark

Ask for one of our Consumer Sample Books

The Rolland Paper Co., Limited
High Grade Paper Makers
Head Office, 142 St. Paul St. W., Montreal
Mills at St. Jerome and Mont Rolland, P.Q.

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Imperial Preference would be a great stimulus to Canada's Paper industry.

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Howard Smith Paper Mills, Limited
Mills at Beauharnois and Crabtree, Que.

Interlake Tissue Mills, Limited
Merritton, Ont.

Price Bros. & Company, Limited
Mills at Kenogami, Que.

St. Maurice Paper Company, Limited
Mills at Cap Madeleine, Que.

Provincial Paper Mills, Limited
Mills at Mille Roches, Thorold and Georgetown, Ont.

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NEWS, KRAFT, BOXBOARD, ETC.

EMBARGO ON PULPWOOD EXPORTS HAS BUILT UP CANADIAN MILLS AND PROVIDED BIG EXPORT MARKET

Working of Prohibitions by Provinces of Quebec and Ontario

MEANT NEW MILLS

American Concerns Were Forced to Build in Canada —No "Confiscation" Was Involved

PERHAPS no other event in the history of the pulp and paper industry in Canada epitomizes its past, its present and its tremendous future possibilities in such clear focus as the announcement of a few weeks ago that the International Paper Mills were definitely at work on a many-million-dollar paper plant at Three Rivers, Quebec. Link this up with the establishment at Thorold, Ont., in 1911 of a $3,000,000 newsprint mill by the Chicago "Tribune," and pulp and paper conditions of Canada in relation to the United States may be "taken" in tablet form. For here is the great outside source of supply for that country in pulpwood, in pulp and in manufactured paper; there, now and probably always, stands the hungry market for our pulp and our manufactured paper.

The establishment of that paper mill at Thorold in 1911 was the direct outcome of the enactment by Ontario, Quebec, New Brunswick and Nova Scotia of embargoes upon the export from these provinces of pulp wood cut upon Crown lands, and it was this embargo legislation of 1910 that may be said to have been the turning point in the development of the manufacture of pulp and paper in Canada. Then, our paper exports were less than $4,000,000; for the fiscal year of 1919 they were $50,000,000; eight or nine years ago our pulp exports were a bare $5,000,000; this past year they were $35,000,000.

"To Restore Vested Rights"

The decision reached by the International Paper Mills—reputed to be the largest in the world—seems to have been reached after a final effort made this past spring to overthrow that embargo policy, and a brief account of a few of the incidents in that campaign will serve to make clear the great debt the industry in Canada owes to the policies of the Provincial Governments. The International Paper Company, with its long string of newsprint mills in the United States, sent broadcast an appeal to the U. S. Government forces, declaring that—with the war over, and such friendly relations between the two peoples—now was the "psychological moment to approach the Government of Quebec to restore vested rights unjustly taken away, and to rescind and modify the Order-in-Council of 1910, to the end that our manufacturers may enjoy the raw material conveyed to them in their Crown land leases, in return for the great free market accorded Canadian manufacturers since 1911." The suggestion, of course, was that in return for this "free" entry of Canadian newsprint into the United States, Quebec should permit pulp wood cut on Crown lands to pass over the border. It should be explained here that Quebec only is mentioned, because it is only in this province that United States mill proprietors possess cutting rights on Crown lands.

This campaign was backed up by editorial propaganda, of which the following from a leading trade paper in New York, is an illustration:

"Neighborliness"

"The present arrangement which encourages American capital to establish the paper industry in Canada, and gives the Canadian mills unrestricted access to the American market, without granting any compensatory privileges, must, of course, be very pleasing to the loyal citizens of the Dominion, but a Yankee from the States should not be expected to view the situation with the same satisfaction. We want to be neighbors, but neighborliness implies mutual accommodation."

U. S. Pulpwood Depleted

How seriously the depletion of pulpwood has been in the United States is indicated by the statement of the head of a large mill there that outside of the holdings of two cautious companies, there are not to-day east of the Rockies, two spruce limits that would justify the erection of a mill of 50 tons capacity daily." The same authority has declared that "the extinction of the newsprint industry in the Eastern States is only a matter of a few years." As a matter of fact, the production of newsprint is not increasing, but languishing: as the figures show Canada's is leaping forward year by year, and since 1910 has increased twenty-five times."

From $10,000,000 to $100,000,000

Less than a decade ago, when the pulpwood producing provinces, led by Ontario, first passed laws prohibiting the export of pulpwood cut from Crown or publicly-owned lands, the amount of capital invested in the industry was less than $50,000,000, the value of its annual output less than $10,000,000, and the value of its exports but $5,000,000 a year. Contrast these figures with those of today. The capital now invested in the industry amounts to over $186,000,000, the annual output to over $100,000,000, and the annual exports to over $63,000,000 in value."—J. A. Bothwell, chairman Canadian Pulp and Paper Association.

The Premier of Quebec, Sir Lomer Gouin, has intimated that he has no intention of rescinding the embargo legislation, in spite of the charges that are being made that there has been practised what is virtually "confiscation" of American vested rights in Canada.

But the Province of Quebec, as the other pulpwood producing provinces, has a comprehensive reply to such charges that should free this country from the shadow of blameworthiness. An official statement thus sets forth the situation:

Reply to United States Contention

The contentions of the American interests that property confiscation is involved in the pulpwood embargo are unsound for these reasons:

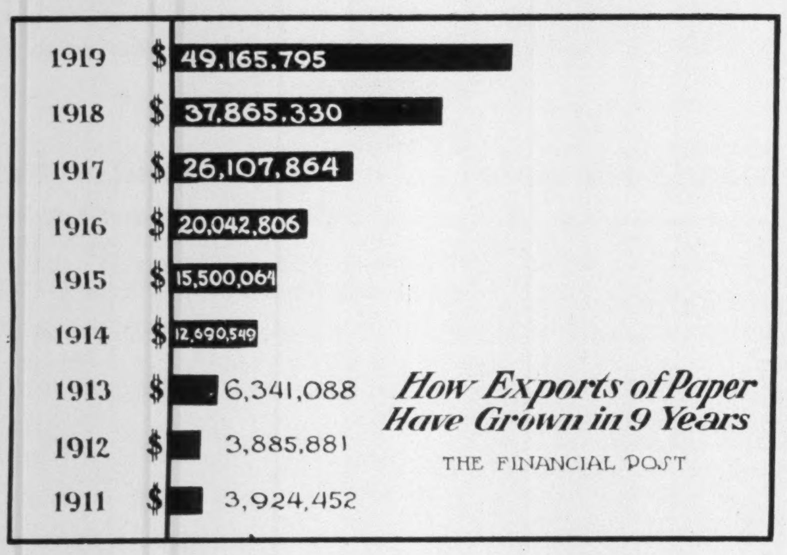
(a) That the leases are made from year to year, and subject to cancellation by the Government at the end of any given year;

(b) That they do not give the right to the lessee to take from the land anything it contains and ship it to a foreign country;

(c) That any lease-holder can today dispose of his holdings at a price which will more than reimburse him for his original investment and his carrying charges, thereby insuring him against any actual loss;

(d) That it would be unjust and unfair to those who have invested capital in the industry in Quebec on the strength of the embargo to remove the embargo and permit free exportation of the raw material;

(e) That regardless of the embargo as applied to wood cut from the Crown lands there is now exported from Canada to the United States over 3,000,000 cords of pulpwood every year, cut from freehold lands and valued at over $20,000,000, which amounts to 1,800,000 cords more every year than the annual increment on lands held in Quebec by American corporations.



How Exports of Paper Have Grown in 9 Years

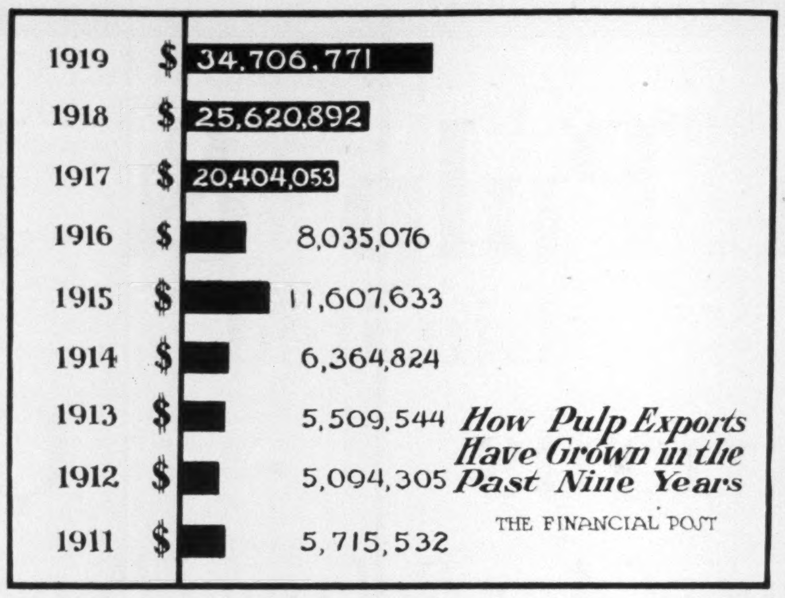
THE FINANCIAL POST

Can Sell For Big Profit

Just what is held by American interests? The records show that on Crown or publicly owned land in Quebec, these leases are estimated to cover 10,000 squares miles of woodlands. The quantity of pulpwood on these Crown lands held by Americans is estimated at 32,000,000 cords, and worth at $8 a cord, $256,000,000. But these limits, which, when they were bought, sold at $110 a square mile or less, have since risen in value to $400 or $500, and in some cases much higher, and the holders can take advantage of this increased value and sell out at a large figure if they so desire.

A Protection Against Depletion

To this it should be added from the general point of view, that the embargo was instituted not only to encourage manufacture of the wood in Canada, but to check the depletion of Canadian limits. Not only must there be faced an alarming decrease due to consumption, but fires, insects and fungi are most destructive elements. Indeed, it has been discovered the bud-worm has "practically wiped out all the balsam in this province, and occasioned serious injury to the spruce, hemlock, and other tree species."



How Pulp Exports Have Grown in the Past Nine Years

THE FINANCIAL POST

How vital to the Canadian mills is the preservation of this supply and the encouragement of production in Canada of pulpwood products, is indicated by the fact that there are now twenty-nine mills in Quebec, of which eight are paper mills, ten pulp mills, and eleven combined pulp and paper. The total capital invested one year ago was $82,842,157, and this year will far exceed $90,000,000, with an output running close to $60,000,000.

What Home Manufacture Means

The following table showing the value of pulpwood produced in the province in a certain period, with its value as raw material exported, and estimates of what its value would have been if manufactured into pulp, and again into paper, will set side by side the relative merits of the policy that would permit an unrestricted export of pulpwood, and the other extreme that has often been suggested, a tight embargo against the export of any wood at all:

Number of cords pulpwood	4,280,941
Value manufactured into pulp	$88,495,220
Value as raw material	$28,267,103
Amount lost by exporting as pulpwood	$60,228,117
Value manufactured into paper	$157,714,890
Value as raw material	28,267,103
Amount lost by exporting as pulpwood	$129,447,787

It may next be asked to what extent the "free entry" of paper into the United States is a concession to Canada that calls for a corresponding preferential treatment in some other respect, or how far it is dictated by self-interest.

"Free" Paper Entry in Self-Interest

Prior to 1909 the duty on newsprint imposed by the States had checked export by Canada, but in that year the duty was reduced to $3.75 a ton on paper valued at not over 2½ cents per lb. ($145 a ton), which was higher than the prevailing price at that time. In 1911 the duty on newsprint and pulp were removed entirely except where Canadian Governments imposed export duty. Two years later newsprint valued at not over 2½c per lb. was placed on the free list for all countries. Previous to this about 40 per cent. of Canadian paper had been taxed. By 1916 the price of newsprint had increased to such an extent that the maximum of 2½c was increased to 5c a pound. With the growing scarcity in that country it seems unlikely that the publishers would submit to any duty on Canadian newsprint ever again being imposed.

Premier Gouin on Embargo

"Canada, and particularly Quebec, exports too much material to other countries to be manufactured. We have progressed, it is true. A few years ago we were exporting all our pulpwood; to-day we are exporting woodpulp and finished paper. But we are still exporting an immense amount of pulpwood."—Sir Lomer Gouin.

It is announced from New York, that according to the report of the American Manufacturers' Export Association, Dr. Goldstein, Professor of Political Economy, University of Moscow, estimates that the expenditures required for the industrial and commercial rehabilitation and development of Russia during the next 10 years will amount to $56,450,000,000.

CENSUS FIGURES

The following figures from the latest census returns of the Dominion are illuminating:

Total Investments

Quebec	$84,609,584
Ontario	72,006,972
British Columbia	22,584,652
New Brunswick	7,136,277

Average Investment Per Mill

Pulp mills	$1,057,610
Pulp and paper	6,192,365
Paper	323,241

Capacity Ground Wood Pulp

Total tons	1,088,431
Quebec, 55.2%	601,436
Ontario, 32.8%	357,250
British Columbia, 9.2%	100,600
New Brunswick, 1.9%	21,145
Nova Scotia	8,000

Kinds of Paper Products

Newsprint	689,847	$38,868,084
Book and writing	48,141	9,310,138
Wrapping	50,360	5,646,750
Boards	54,080	3,543,164
Other paper products	11,261	1,487,122

Values per Ton

Newsprint	$ 56.35
Book and writing	193.40
Wrapping paper	112.12
Boards	65.50
Other paper products	132.06

Capital in Pulp and Paper Mills

Land, buildings and fixtures	$84,461,837
Machinery and tools	59,266,596
Cash, oper. accts., etc.	15,156,506
Materials, stocks, etc.	27,902,466

Canada has the largest forest area of any country in the British Empire.

In 1890 Canada's exports of pulp and paper products amounted to but $120. In 1910 they were worth $10,000,000. For the fiscal year ending with March 31, 1919, they reached a total of $99,000,000.

WAR REVERSED PULP CONDITIONS, HELPING CANADA

Cost of Production Lower Here Than With European Mills

OVER $300,000,000

Exported in Past Year Compared With $1,500,000—Big United States Market—Japan Opening Up Also

Report of Chemical Pulp Section, C. P. & P. A.

One of the effects of the war has been to change the relative positions of the Canadian sulphite pulp industry and that of the European pulp producing countries so that the cost of production was lower in Canada than in Europe—a reversal of pre-war conditions. Russia, the great source of Europe's wood supply, went out of business entirely, while Germany and Austria, formerly the chief producers of high grade pulps, ceased to be market factors. The war period, too, witnessed much progress in the methods of acid making and in the tumbler barking of wood, the one improving the quality and the other increasing the output and diminishing costs.

The chemical pulp industry of America, and more particularly of Canada, stands to-day on the threshold of a great development. Newsprint has long since passed into the category of staple commodities, of which America not only supplies her own wants, but has much to spare for export. Now it is the turn of chemical pulp. Ten years ago a large part of the chemical pulp consumed in America was imported from abroad, the proportion which Canada supplied to the paper industry of the United States was quite small. To-day, according to latest figures available from the United States Government, a relatively small quantity of chemical pulp is coming from abroad to the United States, whilst the quantity which Canada has supplied to our neighbors to the south has grown very rapidly.

Shipping conditions have, no doubt, played a great part in the restriction of imports from overseas, but even though abnormalities in this respect largely disappear in the course of the next year or two, reduction in ocean freights will be of much greater stimulus to Canadian exports than to imports from abroad.

In the fiscal year ending March 31, 1908, the value of chemical wood pulp exported by Canada to all countries was less than $1,500,000. Canadian Government figures show a total export of $30,226,856 for the fiscal year ended March 31, 1919. This compares very favorably with the exports of printing paper, which attained a total of $40,718,021 in the same period.

The situation has now arrived that Canada has just about filled the requirements of the United States outside of that country's own production. Canada will doubtless hold that trade if a good quality standard is reached. Canada should now go after the trade of other countries to which she can reasonably export, with a view ultimately to holding a great part of the world's trade in chemical pulp. Encouragement is given to this view by the fact that the exports of Canadian chemical pulp to Japan, for instance, have grown from a scant $100,000 in the twelve months ending March, 1913, to almost $2,000,000 in the nine months ending November, 1918.

The domestic demand for chemical pulp continues to grow. Not only does it enter into grades of paper ranging from sheathing to wood bonds—and every increase in demand for these products expands the demand for chemical pulp—but new uses are constantly appearing. Explosives, aeroplane varnish, bandages and absorbent pads, which grew largely out of the war, probably mark only the beginning of a new series of products in which chemical pulp will be an important factor. Such are textiles, artificial silk, paper containers, and the numerous developments of the box board industry. Chemical pulp bids fair to make anything from a tin can to a suit of clothes.

SULPHATE PULP

Sulphate pulp is the basis for kraft or wrapping paper, and is of a brownish color, in contrast with sulphite pulp, which is white. Both are chemically prepared, the sulphate taking about 3½ hours to "cook," as compared with some seven hours for sulphite pulp.

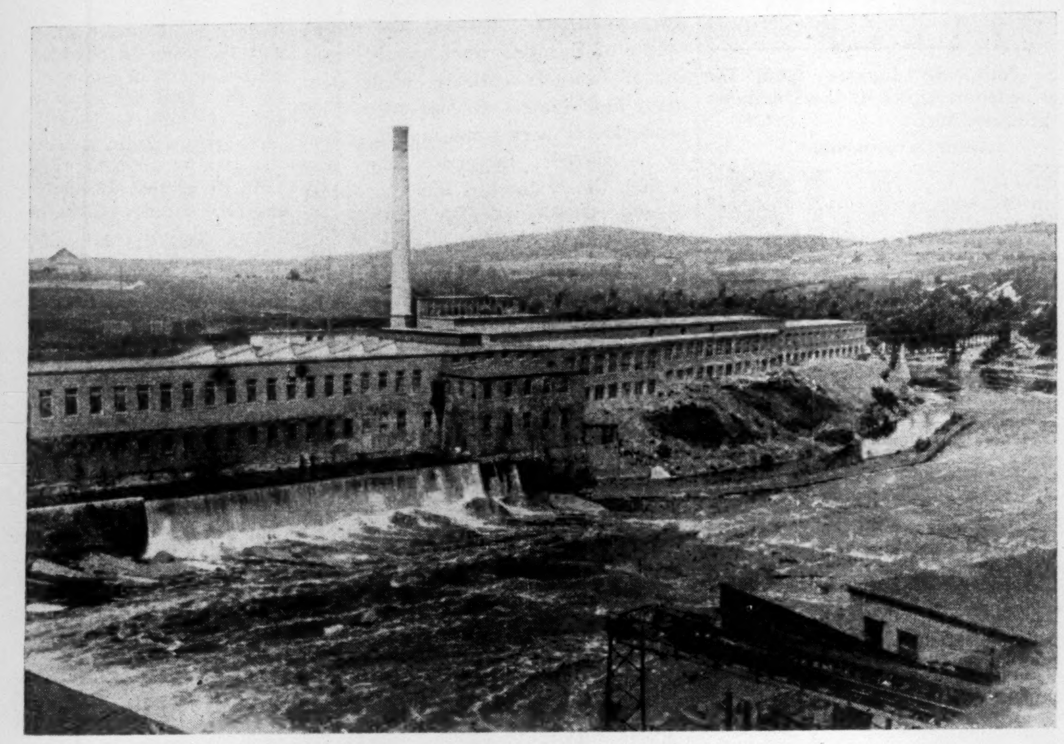
Laurentide Co., Ltd.
Grand Mere, P.Q.
Canada

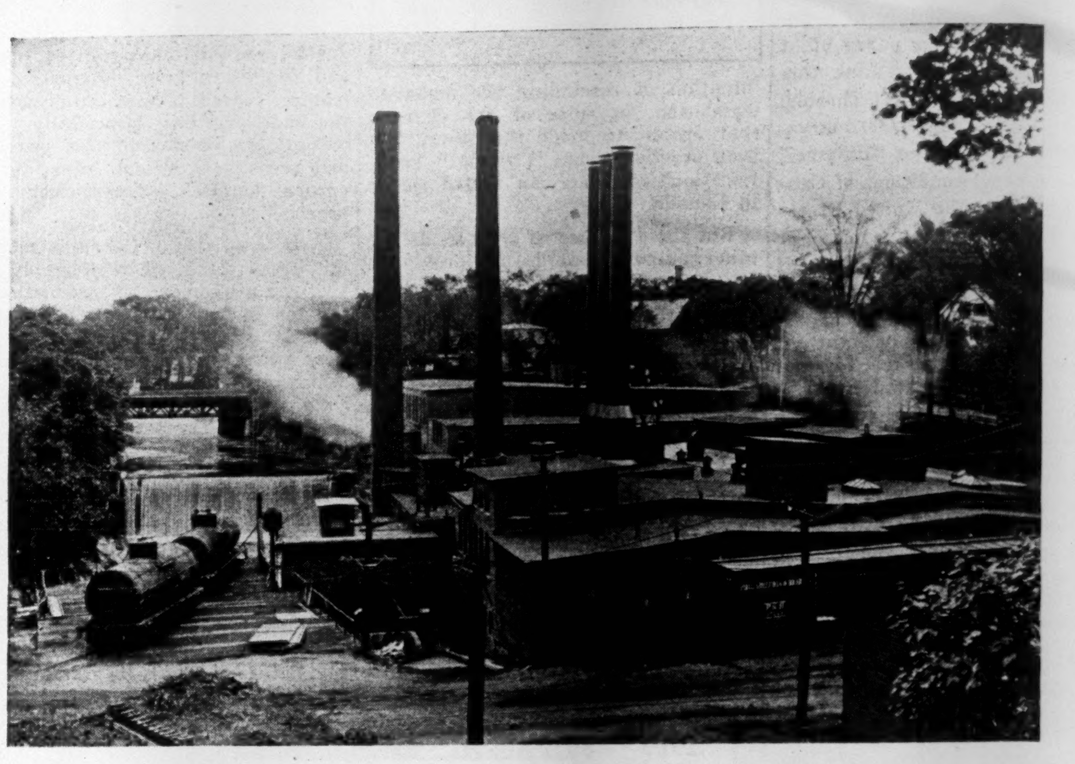
Manufacturers of
Ground Wood Pulp
Sulphite
Wood Boards
Newsprint

Affiliated with
Canadian Export Paper Company
Sun Life Bldg. Montreal, Quebec

Brompton Pulp & Paper Co.
Limited
East Angus - Quebec

Most Diversified Output of Any Pulp and Paper Company in Canada


Kraft paper and news mills at East Angus


View of the Claremont, N.H., mill, recently acquired

The Brompton Pulp & Paper Company, Limited, is one of the largest producers in Canada of Groundwood Pulp, Kraft Pulp and Kraft Paper for sale. In addition, it is a large manufacturer of Newsprint Paper, Box Board and Lumber. The business of the Company and its predecessors has been in successful operation for many years.

Freehold and Leasehold Timber Areas of the Company in the Province of Quebec, aggregating 311,768 acres, contain 2,700,000 cords of Pulpwood and 350,000,000 ft. b.m. saw logs. These Reserves, with purchases from individuals, are estimated sufficient for forty years' operations at present capacity.

The Annual Production (including Subsidiaries) is as follows:

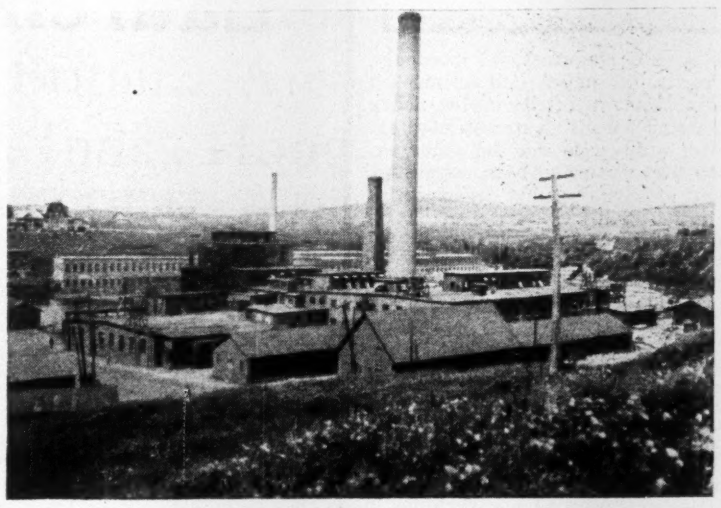
Plant			
Brompton—	Groundwood	45,000	tons
East Angus—	Groundwood	15,000	"
	Kraft Pulp	27,000	"
	Newsprint Paper	34,000	"
	Kraft Paper	9,000	"
	Box Board	15,000	"
Groveton, N. H.—	Unbleached Sulphite	25,000	"
	Kraft and Bond Papers	24,000	"
Claremont, N. H.—	Kraft and Bond Papers	18,000	"
Total Pulp and Paper Production		212,000	"
Lumber Production at East Angus and Groveton		12,000,000	ft.

Mill Properties

At Brompton, Que., about six miles from Sherbrooke, the Company owns and operates a large Groundwood Pulp mill; and at East Angus, Que., about fifteen miles from Sherbrooke, the Company owns and operates Groundwood Pulp mills, Kraft Pulp and Newsprint Paper mills, Box Board mill and Kraft mill. Its saw mills are situated, one at East Angus and one at Brompton.

Production and Excess for Sale

	Total Produced	To Company	Excess for Sale
Groundwood - - -	60,000	45,000	15,000
Unbleached Sulphite -	25,000	17,000	8,000
Kraft Pulp - - -	27,000	27,000	------
Box Board - - -	15,000	------	15,000
Kraft and Bond Paper -	51,000	------	51,000
Newsprint Paper - -	34,000	------	34,000
Total Pulp and Paper	212,000	89,000	123,000
Lumber - - -	12,000,000 ft.		12,000,000 ft.


Sulphate pulp mill (club house in distance)

Box board mill (showing splendid railway facilities)

Water Powers

Water Powers comprise two developments on the St. Francis River at East Angus, having a combined maximum of 11,900 h.p., and a development at Brompton of 10,000 h.p. maximum.

Two undeveloped Water Powers of an estimated capacity of 6,000 h.p. each are owned by the Company, and are capable of reasonably cheap development.

Storage dams to be installed by the Quebec Government will considerably increase presently available power.

Increase in Earnings

1913	200,794.30
1914	217,937.10
1915	340,944.16
1916	952,079.49
1917	1,073,562.65
1918	1,051,274.69

By reason of the efficiency of its plants, its convenient and adequate shipping facilties to nearby markets and its plentiful reserves of wood capable of delivery at its mills at low cost, Brompton Pulp and Paper Company, Limited, is in a most favorable position to benefit greatly by present and future expansion in the market for Canadian pulp and paper products.

Subsidiary Mills

Through control by stock ownership of the Claremont Paper Company, Incorporated, of Claremont, N.H., and of the Groveton Paper Company, Incorporated, located at Groveton, N.H., Brompton Pulp and Paper Company has rounded out an organization which gives a production perhaps more varied than that of any other large pulp and paper manufacturing enterprise on the continent. The range of products includes Groundwood Pulp, Bleached and Unbleached Sulphite Pulp, Bond and Wrapping Paper Sulphite, Newsprint, Kraft Pulp, Kraft and Fibre Papers, Specialty Papers and Box Board.

Geographically, the mills of subsidiary Companies are so situated as to result in economy of operation and marketing; their varied output assures constant supplies of raw materials and steadiness of earnings from the sale of finished products.

Brompton Pulp & Paper Co., Limited - East Angus, Que.

(ASSOCIATED WITH CANADIAN EXPORT PAPER CO.)

WHAT TEN YEARS HAS MEANT TO THE PULP AND PAPER INDUSTRY OF THE BRITISH COLUMBIA COAST

A Total of About Twenty-two Millions Now Invested

MARKET IN ORIENT

Present Difficulty is With Shipping Facilities—Chief Demand is Now in United States and Mexico

By A. R. DINGMAN,
Vancouver Correspondent THE FINANCIAL POST.

> **THE PULP INDUSTRY IN BRITISH COLUMBIA**
>
> "Like many other industries, pulp-making has felt the effect of the war, but only by the scarcity of ships. In this regard, however, considering the fact that the sulphite manufacturing industry is entirely export business, the effect has been more or less of a serious character. But even with the few vessels available, the mills have been able to keep going, and while the markets of Australia, New Zealand and the Orient have been practically shut off, Mexico and the United States have been big consumers and will continue to be, although the markets of the Antipodes and the Orient are once again possible."—Hon. T. D. Pattullo, Minister of Lands, British Columbia.

If the investment of American capital may be taken as a criterion, British Columbia is steadily growing in importance as a pulp and paper producing province, as almost from the inception of this big industry in the coast province, San Francisco, Chicago and New York capitalists have been largely instrumental in placing B. C. on the map as a vital force in supplying the pulp and paper markets of the world.

For many years British Columbia has been known for the wealth of her forest resources—in this particular standing third among the nations of the world. It is comparatively only recently that these forests have been looked to for the production of paper, which, industrially, is one of the most important on the coast. Commencing less than ten years ago, the business has developed until at present between five and six thousand men are employed in the making of wood pulp, writing papers and newsprint, while the companies have an invested capital of $22,000,000, and when working to capacity the six large plants have a combined output of 60,000 tons of wood pulp and 100,000 tons of chemical wood pulp, kraft and newsprint. The output of the mills is simply a question of available tonnage.

In Early Nineties

It is not largely known that the paper industry was established in the coast province as early as 1892 in the vicinity of Alberni on Vancouver Island. The machinery was imported from England and curiously, also a quantity of jute and rags was brought over. All went well until the supply of raw material was exhausted. It was found impossible to secure further supplies at reasonable prices, whereupon the mill closed down for a time. Later a pulp-making plant was placed in operation, but the product was an utter failure in making paper, the machinery being designed for rag paper only. The mill still stands unused.

To encourage the establishment of the paper-making industry the Provincial Government in 1901 granted twenty-one years leases of pulpwood areas to bone fide applicants on liberal terms and several companies were accordingly formed to take advantage of the concession. The annual rental to be paid under these leases is two cents per acre and a royalty of twenty-five cents per cord of pulpwood cut. The lessees are bound to build, equip and operate in the province, a mill with a stipulated daily output. The merchantable timber on the leaseholds may be cut and manufactured under special timber license.

The Present Situation

The first company to enter the field on a properly constituted commercial basis was the B. C. Sulphite Fibre Company, which in 1909 erected a mill on Howe Sound, about thirty miles from Vancouver. There was an initial daily capacity of about thirty tons of high-grade sulphite fibre, but this was gradually enlarged as markets opened out until a capacity of eighty tons was reached. Later the Empire Pulp and Paper Mills and the Colonial Lumber and Paper Mills were formed and operated, eventually being merged into the Whalen Pulp and Paper Mills, Limited, with a capitalization of $10,102,500. The merger is headed by Jas. Whalen of Port Arthur, the president and managing director being Sir George Bury, late of the C. P. R.

Paper and newsprint manufacturers in this province find themselves in a very favorable position to supply the markets of the United States, Australia, New Zealand, Hawaii, China, Japan, the Philippines, South America, Mexico and Asiatic Russia. Just now the Australian market is perhaps the most important, as owing to the lack of suitable pulpwoods and desirable water powers on that continent, Australia is almost wholly dependent on outside sources for its supply of paper. British Columbia manufacturers are alive to the situation and may be counted upon to make the most of their opportunity.

Illustrating the development of this trade with the United States, it may be interesting to note that the coast province exported paper south of the international boundary last year valued at $3,786,441, as against $1,622,933 in 1917, while her pulp exports were worth $775,386. Japan probably offers the greatest opportunities for the future, the yearly imports of paper in that country averaging over $2,000,000, and that of pulp well over $6,000,000. The demand for both pulp and paper in Japan is increasing very rapidly while the pulp mills of this province will be in the very best possible position to cater to that market.

The local market, which amounts in value to about a quarter million per year, is a steadily growing one, and with the steady growth of population which has materially jumped since the war, increased paper demands may reasonably be expected. Seattle, Edmonton, Calgary and other prairie cities are also supplied largely by British Columbia mills, the long distance from eastern mills and the resultant high freight rates, making competition from Eastern Canada practically impossible. Under normal conditions, the United Kingdom, European and United States markets offer a wide market for the products of the British Columbia pulpwood forests.

In this connection it may be of interest to refer to a statement of Paper Controller R. A. Pringle, K.C., to the effect that in 1916 Canada's pulp and paper exports were valued at more than $40,000,000, two-thirds of which was paper. He also said that the requirements of the United States alone had reached the enormous total of 600,000 tons of pulpwood per day, and that the demand was increasing at the rate of ten per cent. annually. He also drew attention to the fact that the available supply of pulpwoods across the line was not sufficient to last more than ten or fifteen years, and that as a consequence, American capital was finding its way into Canada for the development of pulpwood and paper mills.

Transportation Problem

The manufacture of pulp and paper in this province may be said to be only in its infancy, but the backing behind the companies, and the large amount of money invested and the wide field for future markets is sufficiently impressive to give a fair indication of the substantial growth whch may be expected with a gradual return to pre-war conditions. This industry during the war, as was common with other exporting businesses, has been greatly hampered in its operation by reason of lack of ocean tonnage for export shipments.

Many factors contribute to the success of paper-making in British Columbia, chief of which are an abundance of pulpwood limits with ample water supply. The rapid denudition of the pulpwood areas of the United States will soon compel it to look to Canada for its supply of wood pulp, which, according to the regulations now in force, must be manufactured before shipment. Along the coastline of the mainland and Vancouver Island are practically inexhaustible areas of pulpwoods. South of Knight's Inlet the most abundant wood is the famed Douglas Fir, which is successfully used for the manufacture of chemical pulp, its suitability for mechanical pulp being more uncertain. There are also large quantities of hemlock and spruce which cover immense tracts immediately contiguous to the sea coast, so that logs may be landed at the mills at a very low cost.

Climate a Factor

Another important point is the climate, the mildness of the coast winters enabling operations to be carried on throughout the year. The forests are much more densely wooded than those of Eastern Canada, five hundred cords per acre being not uncommon, while from one hundred to one hundred and fifty cords may be taken as a fair average of good timber lands. Two processes of manufacture are mainly used, sulphite and mechanical. Recent reports issued in the east show that in a given period British Columbia mills held the records in the highest average number of pounds of pulp produced per cord of wood in the Dominion, the figure being 2,305 pounds, while Nova Scotia was at the bottom with 1,818. This was by the mechanical process. In the sulphite process used in the manufacture of paper, B.C. had the highest average with 1,137 pounds, Ontario being least with 961 pounds.

Touching upon the question of the pulp and paper industry recently, Hon. T. D. Pattullo, Minister of Lands in the province said, in part:

"For pulp producing purposes, the spruce forests of British Columbia remain practically untouched, although the past few years have seen large quantities of this timber cut for aeroplane purposes. But even in this connection only the best of the timber has been taken, and one important phase of the business has been in the valuable contribution it has been enabled to make to war work.

A Great Future

"The pulp and paper industry of B. C. is still in its infancy, though there are at present between four and five thousand men engaged in its various branches. Other companies will come as the vast resources of the province become more widely known, and as the growing need for more pulp fields is felt. Owing to the fact that the spruce stands scattered through other timber, it is necessary to instal plants that can utilize these other trees and produce merchantable timber from them."

At present there are four main companies engaged in the pulp industry on the coast, the Whalen, Pacific, Powell River Co. and the Beaver Cove Co., operating in all, six plants. The latter concern, headed by a Mr. White, a wealthy banker of New is only now starting operations. A million dollars has been spent on a plant up the coast, and it is understood another half million is to be invested.

The Various Companies

As before stated, the Whalen interests involve the original Colonial mill constructed at Port Alice on Quatsino Sound, the Empire operating at Swanson Bay and the B.C. Sulphite at Mill Creek, Howe Sound. The combined output is about 180 tons of sulphite fibre, 50 tons of pulp, 500,000 feet of lumber and 1,100,000 shingles daily. There is $800,000 of common stock and $2,102,500 preferred, all of which is paid up. There is also an authorized issue of $4,000,000 six per cent. first mortgage serial bonds, of which $2,500,000 has been issued. They mature on the first day of May of each year until 1933. In addition there is a $2,500,000 issue of seven per cent. debenture stock due on the first of May, 1932, and $500,000 of serial notes, the last of which is payable in 1924. The current earnings of the company from the operation of two mills, Empire and Mill Creek, available for interest depreciation taxes, etc., are at the rate of $750,000 per year. With three operating mills, the earnings available for these purposes will amount to not less than $1,000,000, or more than six times the interest on the presently outstanding bonds. The company's assets are valued at $15,000,000.

The next large company is the Pacific Mills whose plant is located at Ocean Falls. Its capitalization is $9,500,000, divided into 9,500 shares. This company was the outcome of the final reorganization of the Ocean Falls Company, which had a somewhat eventful financial career, and was formed by Mortimer Fleishacker, Herbert Fleishacker and W. P. Johnson, wealthy men of San Francisco, who purchased the property from the receiver and trustee for the debenture holders, the Western Canada Trust Company.

The original company was promoted by Lester David, the well-known Seattle lumber man who purchased valuable timber limits at Ocean Falls. He secured considerable English capital and pulp and saw mills were built and placed in operation. Two drawbacks which confronted the enterprise were the absence of a local market for lumber and the lack of railway facilities, all the manufactured product having to be barged to Vancouver. The company had to depend entirely on foreign markets. Pulp was manufactured but the final process of turning into paper was done across the border. The fact that pulp is about 76 per cent. water added tremendously to the freight bills in comparison to what they would have been had the product been turned out as now at Powell River.

When it was seen that more capital was essential there was a reorganization headed by English and Quebec shareholders, but the depression in the lumber market led to the appointment of a receiver and the ultimate sale to the American interests who have since put the plant on a very profitable basis.

The Rainy River Company whose president was Robert Sweeny of New York, was organized in 1917, had a paid-up capital of $1,000,000, but lack of capital compelled that company to go into liquidation in which condition it is at present. The remaining companies are doing well, particularly the Powell River Company, which has an immense plant at Powell River, the company controlling the townsite and employing a large force of men.

Canada's Final Victory Loan

AHEAD of Canada's final Victory Loan there is success, because behind it there is economic strength—the economic strength of a resolute and enterprising people reinforced by an unrivalled abundance of natural resources ready for more profitable development with every advance of industrial science.

A FIELD FOR SECURE INVESTMENT

INVESTORS in Victory Loan are assured of assets behind their Bonds which require no recapitulation here. Out of the many take as an instance merely one—Canada's position in the Pulp and Paper Industry, an economic asset well worth attention at this or any other time.

Information in regard to investments gladly given.

JOHN STARK & Co.
ESTABLISHED 1870
MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING - - - TORONTO

T. S. G. PEPLER & CO.

Government, Municipal and Corporation Bonds

Having been instrumental in financing the enlargement and expansion of one of the oldest Pulp & Lumber Companies in Canada, we invite inquiries regarding the securities of this and other companies engaged in the development of the Pulp and Lumber Industry in Canada.

We invite Correspondence regarding all Canadian Investment Securities

Royal Bank Building - - - TORONTO

Pulp and Paper

Is Now Canada's Largest Manufacturing Exporting Industry

The Riordon Pulp & Paper Company, Limited

Head Office
355 Beaver Hall Square, Montreal, Que.

Spanish River Pulp and Paper Mills, Limited

A GREAT THREEFOLD UNIT IN A GREAT CANADIAN INDUSTRY

Manufacturing Newsprint Paper, Hanging or Wall-paper, Board Products, Groundwood Pulp, Sulphite Pulp

MILLS AT
Sault Ste. Marie
Espanola
Sturgeon Falls

DAILY CAPACITY

Newsprint	460 Tons
Groundwood	400 Tons
Sulphite	220 Tons
Board	35 Tons

RAW MATERIALS
(Daily Consumption)

WOOD	750 cords
COAL	450 tons
SULPHUR	27 tons
LIMESTONE	30 tons
LIME	6 tons
CLAY	10 tons
ALUM	40 tons
ROSIN SIZE	20 tons

AMONG the prosperous pulp and paper manufacturing concerns of Canada, the Spanish River Pulp and Paper Mills, Limited, with their triple plant, take a prominent place. Fully one-fifth of the total production of pulp and paper in the Dominion is manufactured by this company, with an additional output over and above its own requirements of about 10,000 tons of mill board, and 30,000 tons of sulphite. A still greater output is already in sight for owing to the increasing demands of the Company's regular customers, the installation of two additional paper-making machines with a capacity of 100 tons a day has become necessary, and these machines are being installed now at Espanola, and will be running by November 1st of this year.

Immense Pulpwood Resources

Owning and controlling timberlands to the extent of at least 18,000 square miles, thickly wooded, and exceedingly accessible, the Company is in a splendid position for developing and increasing its productivity and profitable scope of operation. Already the Company's annual turnover is in excess of ten million dollars, and with increasing demand, and enlarged powers of production this figure will soon be surpassed. The financial strength of the company is such as to ensure its profitable activity and development the present time being a period of vigorous growth. An asset of importance besides the immense acreage of pulpwood reserves consists in the waterfront property and acreage at Sault Ste. Marie. This is a 60-acre tract of land with advantageous railway access and connections. Here modern wharves and harbor developments in harmony with Dominion Government developments on the same lines are being arranged for and carried out. A two or three years' supply of pulpwood is constantly maintained at this point, the logs being cut at splendidly convenient limits controlled by the Company along the Lake Superior shoreline, and rafted by the Company's own fleet of tugboats into the booming ground. Where the limits held along the north and east shores of Lake Superior are not directly accessible from the lake itself, they are served by suitable water courses, making this profitable logging territory for the Company.

Other large tracts of woodlands, located along the banks of the Spanish and Sturgeon rivers and the streams tributary thereto, are also controlled by the Company. These supply the mills at Espanola and Sturgeon Falls.

Mills Splendidly Situated

Owning and operating three widely-separated mills, located, respectively, at Sault Ste. Marie, Espanola and Sturgeon Falls, Ontario, the Company is particularly fortunate in their location, not only with respect to the comparative proximity of its woodlands, from which their raw material is drawn, but also on account of the accessibility of its market and the possession of exceptional shipping facilities both as to rail and water routes. No less than three railway lines, the Canadian Pacific, the Algoma Eastern, and the Algoma Central skirt the Company's several properties, while the Sault Ste. Marie mill, located at the foot of Lake Superior, has the additional advantage of access to the water routes of the Great Lakes.

A Well-Balanced Plant

Moreover, these mills have quite recently been brought up to a high state of efficiency and productiveness by the expenditure of upwards of $2,500,000 in new equipment and betterments.

The advantages thus acquired are being reflected in lessened costs of manufacture and consequent increased returns to the company.

Together the three mills now constitute a self-integrated and perfectly-balanced property, capable of yielding a maximum production at a minimum of expense. Their annual wood consumption approximates 250,000 cords.

The supply of power at all three mills is ample, constant and of economical development, and affords opportunity for expansion to meet any reasonable future requirement.

At Sault Ste. Marie

The property at Sault Ste. Marie, where the Company maintains its headquarters and general offices, includes the present mill site and provides storage grounds for wood, coal, sulphur, etc., etc., as well as affording abundant scope for future development. The Canadian Pacific Soo Line and the Algoma Central Railway both connect with the property which also has its own dock facilities, capable of most advantageous development as already mentioned.

The Principal Mill Plant

At Sault Ste. Marie is situated the Company's principal mill. The plant comprising a four-machine paper mill with a daily capacity of 220 tons, a sulphite mill producing 160 tons and a board mill producing 35 tons a day. Equipment of quite recent installation at the sulphite mill includes two mammoth digesters. These have doubled its capacity, which gives a production of approximately 100 tons a day more than is actually required by the Company's own business, leaving that quantity available for the market as already mentioned. The capacity of the pulp mill has been increased from 120 to 160 tons a day by the addition of a number of powerful grinders, each of which has a daily capacity of six tons, as compared with the five-ton capacity of the old machines. Two 1,500-h.p. dynamos supply the motive power. Additional slashers, barkers, etc., are also included in the more recently added equipment.

Board Mill is Profitable

The board mill is also a recent acquisition. With it, the Company is enabled to turn to account screenings and other by-products which formerly went to waste. In addition to turning out about 35 tons of board a day, for which there is a constant demand, the mill makes all the wrappings used at the Company's several mills as well as a considerable quantity sold to outside mills.

The Company's chief executive offices are situated at Sault Ste. Marie. The buildings are extensive in dimension and massive in appearance, being substantially built of gray sandstone, quarried from the beds of the adjacent power canals, and with rather more than ordinary attention given to their architectural aspect.

NUMBER OF MEN

Woods	5000
Sault Ste Marie	800
Espanola	500
Sturgeon Falls	450
Total	6,750

The Espanola Mill

The Espanola Mill is located on the Spanish River at Espanola, Ont., 40 miles west of Sudbury and 138 miles east of Sault Ste. Marie, on the Soo branch of the Canadian Pacific Railway. The Algoma Eastern Railway affords outlet for the Company's products.

The Espanola plant includes a four-machine paper mill of 175 tons daily capacity, wood grinders, capable of producing 150 tons of pulp daily with other equipment to correspond. Much of the machinery is new and of recent installation. Here the Company owns its own waterpower, with a developed capacity of 18,000 h.p.

A Model Community

It also owns a considerable townsite, including numerous dwellings for its employees, a hotel, one of the best in Northern Ontario; a general store, which deals in everything from needles to player pianos, including in its equipment an up-to-date refrigerating plant; public and separate schools, a theatre, and the biggest and best-appointed skating and curling rink in the district. The town is in many respects a model industrial community. Its fire protection and water and lighting systems are maintained by the company. In connection with its community work, the company publishes a weekly newspaper called "The Spanish River News and Safety Bulletin," for the purpose of maintaining the esprit-de-corps of its employees and of instructing them in "safety first" methods.

The Sturgeon Falls Mill

Sturgeon Falls mill is located at Sturgeon Falls on the main line of the Canadian Pacific Railway, 24 miles west of North Bay, Ont., the junction point of the Canadian Pacific and the Grand Trunk Railways.

The Sturgeon Falls timber limits embrace the waters of the Sturgeon river which empties into Lake Nipissing. They are bounded on the west by Wanapititae Lake and on the east by the Montreal river. The Sturgeon river, 200 miles in length, together with its tributaries, drains the entire concession. Nearly all of these tributaries are navigable for logging and the many lakes throughout the tract insure a constant and efficient water supply to float the timber to the mills. The numerous driving streams assist in maintaining a low cost of woods operations.

Develops 10,000 H.P.

Approximately 10,000 h.p. is developed at Sturgeon Falls. It is capable of being increased through the Company's possession of riparian rights to certain lands above the falls. The river has a fall of 38 feet at the mill and an estimated flow at low water of 920 cubic feet per second.

The Sturgeon Falls plant consists of groundwood and sulphite pulp mills, a two-machine paper mill with a daily capacity of 70 tons of paper, of which about 60 per cent. is newsprint and the rest hanging paper. Its groundwood capacity is 60 to 110 tons, and its sulphite capacity 65 to 70 tons daily. This mill is especially adaptable to conversion into a specialty mill whenever it becomes desirable. Like the mills at the Sault and at Espanola, its capacity has been enlarged by the addition of new machinery.

In Strong Financial Shape

The company has over 2,000 shareholders, scattered throughout Canada, the United States and Great Britain. Its bonds are held chiefly in the latter country. It is indebted to the holders of its preferred shares an amount approximating 35 per cent. on $3,000,000 accumulated since July 1, 1913, and about 28 per cent. on $2,700,000, accumulated since July 1, 1914.

But the financial position of the company, which in 1914 was such as to necessitate postponing payment of its bond interest due in 1915 and 1916 until 1922, as a measure of precaution, has been very greatly strengthened since that time. This year the Company has issued notices to pay off the postponed interest on the bonds of the Lake Superior Paper Company, Ltd., the Spanish River Pulp and Paper Mills, Ltd., and the Ontario Pulp and Paper Co., Ltd., also all the promissory notes which were due in 1922, but which will be paid on the 1st February, 1920. On the 1st March, 1920, the Company will also redeem the $330,000 of Second Mortgage "A" Debentures. To finance these payments the Company is issuing $3,500,000 6 per cent. serial mortgage lien ten-year notes, part of an authorized issue of $5,000,000. From its latest reports the Company is found to be in excellent financial condition.

The last issued statement of the Company shows the net revenue for the year ending June 30, 1919, as $2,757,964, an increase of $1,028,733, as compared with the $1,729,231 earned in 1917. After deducting interest charges of $799,975, the net surplus for the year was $1,456,921. From this $160,000 was deducted for Government taxes and contingencies, leaving to be added to the consolidated profit and loss balance of $1,071,301 from last year a sum of $1,296,291, or a total of $2,368,222 to be carried forward.

A comparative profit and loss statement of the Company for the last five years is given on this page.

History of the Company

The Spanish River Pulp and Paper Mills, Limited, was organized in 1910. It succeeded to and acquired the property of an earlier corporation known as the Spanish River Pulp and Paper Company, which owned the Espanola mill. In 1912, the company absorbed the Ontario Pulp and Paper Company, and in 1913 acquired the property of the Lake Superior Company, Limited, including the mill at Sault Ste. Marie. The capitalization consists of a bond issue of which there is now outstanding $8,726,000; an issue of $1,606,000 second mortgage debentures and issued capital stock of $13,700,000, of which $5,700,000 is in 7 per cent. cumulative preferred shares and the rest in common shares, making a total outstanding capital of $24,032,000.

Efficient Administration

The present administration of the Company's affairs is in the hands of unusally competent and successful executives. The president, Mr. George H. Mead, is one of the best-known experts of the paper manufacturing business. To his excellent judgment and foresight the present mill at Sault Ste. Marie owes its efficient layout and other exceptional qualities. The mill was built under Mr. Mead's general supervision, after a careful study had been made of leading European and American mills. The improvements subsequently added have also been due primarily to his genius.

Mr. Percy B. Wilson, the vice-president, administers the financial affairs of the Company, and gives his personal supervision to its general business. Mr. Wilson, during the war years, devoted much of his time to the Government price-fixing proceedings in Washington and in Ottawa, where he is acknowledged to have rendered invaluable service not only to his own company but to the industry at large. Mr. Wilson was also an active and enthusiastic participant in the various war activities of Sault Ste. Marie, as he is now in all reconstruction effort. He is the commanding officer of a local regiment of infantry, and as chairman of his Victory Loan committee for the district of Algoma, did magnificent work.

Major Thomas Gibson, secretary of the Company, who went to England on military service, is now Lt.-Col. Thos. Gibson, D.S.O., C.M.G. He is returning to resume his duties as secretary and director of the Company.

Col. C. H. L. Jones, the Company's manager, organized an infantry battalion at the outbreak of the war and took them overseas, afterwards himself seeing one and a half year's active service in France as lieutenant-colonel of a forestry division. He has recently returned to this country and is taking up the managership of the Company, formerly in the hands of Mr. R. B. Wolf (now in Philadelphia), and Mr. W. N. Hurlbut, assistant manager, now assistant to the president.

In January last the Company suffered a great loss in the death of Mr. Benjamin Tooke, of Montreal, who had been a member of the board for several years as nominee of the bondholders of the Ontario Pulp and Paper Co., Ltd.

George Gray, familiar to all foresters throughout the Dominion, is the company's efficient woods manager, was elected by the Ontario bondholders to fill Mr. Tooke's place on the board. Owing to the interregnum caused by Mr. Tooke's death and the absence in England of two of the directors, it seemed desirable to appoint temporarily another director in Canada, and upon the resignation of Sir William Stavert, the vacancy was filled by the appointment to the board of Mr. J. G. Gibson. The board of directors is thus made up as undernoted:

Comparative Profit and Loss Statement of the Company for the Past Five Years

	1919	1918	1917	1916	1915
Net Revenue	$2,757,964	$1,729,231	$2,117,734	$1,324,390	$1,019,577
Depreciation	501,068	344,137	269,821	145,172	104,129
	$2,256,896	$1,385,094	$1,847,913	$1,197,218	$ 915,448
Interest	799,975	807,519	718,409	765,927	770,639
	$1,456,921	$ 577,575	$1,129,504	$ 431,291	$ 144,809
Adjustments	160,000	....	....	....	38,519
	$1,296,921	$ 577,575	$1,129,504	$ 431,291	$ 106,290
Previous balance	....	993,726	699,621	268,330	162,040
	$1,071,301	$1,571,301	$1,829,125	$ 699,621	$ 268,330
Written off	....	500,000	835,399	....	....
Profit and Loss Surplus	$2,368,222	$1,071,301	$ 993,726	$ 699,621	$ 268,330

DIRECTORS:

C. E. Read
T. Watson Sime
Geo. H. Mead, *President*
P. B. Wilson, *Vice-President*
T. Gibson, *Secretary*
J. G. Gibson
G. R. Gray

TREMENDOUS CAPITAL INVOLVED IN INDUSTRY; TEN LISTED STOCKS SHOW $130,000,000 OF ASSETS

Average Dividend Paid So Far is Under Six Per Cent.

PROFITS OF $13,230,950

Four Companies as Yet Pay No Dividends on Common Stock—Details of Surplus Working Capital, Etc.

WHILE the group of ten pulp and paper stocks that are listed on the Montreal and Toronto exchange do not begin to cover the field, as the detailed list in this issue of the various companies indicates, yet they may be taken as portraying the huge sums invested in the industry, and the fact that their annual statements, just because they are listed, are available for detailed information, makes it possible to enter into some analysis of the earnings, assets, working capital, funded indebtedness, and other points that are vital for prospective investors in the securities offered from time to time by these companies.

The ten concerns whose figures are grouped in the tables herewith presented are as follows:

Abitibi Power and Paper Company.

Brompton Pulp and Paper Company.

Howard Smith Paper Mills, Limited.

Laurentide Company

Price Brothers & Co.

Provincial Paper Mills.

Riordon Pulp and Paper Company.

Spanish River Pulp and Paper Company.

Wayagamack Pulp and Paper Company, all listed on the Montreal Stock Exchange, and listed on the Toronto Exchange only:

Toronto Paper Mfg, Company.

Preparing For More Developments

Practically all these companies have not yet reached the culminating point of their development. There are either engaged in installing new machines, or have plans for additions in the near future. The Abitibi Company, the Laurentide, and Wayagamack are in the later class. During the present year Howard Smith Paper Mills have installed a new bond paper machine at the Beauharnois plant, and this will shortly be in operation. Price Bros. have a largely increased output through new machines within the past year; the Riordon Company have launched a high-grade bleached sulphite pulp mill in the North at Temiskaming; the Brompton Company acquired an addition mill in the United States this past year and have a new paper machine operating. And so it goes. Had it not been for the restraining effect of the Government price fixing of newsprint, several of the mills already would have been running under an increased capacity. The end of development is not in sight; to those who know the industry most intimately present conditions are only a beginning.

What the Mills Produce

Of the ten plants, five produce newsprint as well as pulp: Abitibi, Brompton, Laurentide, Price Bros., and Spanish River; two produce bond and writing papers or book papers; Howard Smith and Provincial Paper Mills; one sulphite pulp, bleached and unbleached, Riordon; and the Wayagamack has besides sulphite pulp, its chief productions in kraft, or writing paper. Thus the listed companies may be said to cover fairly well the varied pulp and paper activities.

In Seven Assets Exceed $10,000,000

The grand totals furnish an imposing amount. The total assets exceed $130,000,000, of which Spanish River leads with $31,603,000, and Abitibi is second with $17,097,762. Seven have assets exceeding $10,000,000, which alone indicates the heavy capital requirements of a newsprint industry at the present time. These assets comprise two chief elements, the timber limits, and the mills.

HOW THE LISTED STOCKS FIGURE OUT

Assets	$130,739,800
Profits in past year	13,230,950
Working capital	19,109,279
Total surplus on hand	14,927,006
Average dividend paid	5.3%
Common stocks paying no dividends	4
Likely to pay early in 1920	3
Uncertain	1
Total common stock	$ 49,393,800
Total preferred stock	11,874,100
Total bonds outstanding	34,198,690

Four of these mills have surpluses exceeding $2,000,000, and two more have passed the $1,000,000 mark.

Common Stock Nearly $50,000,000

In capitalization, Laurentide and Price Bros. stand relatively the lowest in proportion to assets. In the case of Riordon the total bond issue includes the $4,000,000 issued on Kipawa account, but the additional equity more than counterbalances this.

The total amount of common stock is $49,393,800, of which Laurentide leads with $9,600,000. Three have $5,000,000 each. Three have no preferred stock, Laurentide, Price Bros. and Wayagamack. The total of the others is close to $12,000,000.

Capitalization of $95,000,000

In bonds the total outstanding is $36,198,000. Spanish River leads with over $10,000,000; Laurentide is lowest of all. The total capitalization exceeds $95,000,000.

Three More Dividends Soon

Of the ten stocks three pay no dividends on the common. Out of these, Howard Smith and Wayagamack are almost certain to begin payments early in 1920—in the case of Spanish River the date is more uncertain, as it will be next spring probably before the preferred payments will be inaugurated. It is announced that Abitibi arrears on preferred will be paid October 1.

So far dividends earned on the common stock, Larentide leads with 19 per cent., with Riordon a close second. With possibly a single exception, every company looks to earn more on the common during the current year.

Profits

The profits of all the ten during the past year, two ending June 30, 1919, and most of the rest on Dec. 31, 1918, showed an aggregate of $13,230,950. Laurentide led with $2,955,978, and Spanish River was second with $2,757,964. In most cases the totals were ahead of the previous year, notably those of Spanish River.

Working Capital

The working capital has in some cases shown large increases, Laurentide notably so, with Price Bros. a good second. Several that have been erecting mills until recently, naturally have been slow to develop in this direction. The total amounts to $19,109,000.

Herewith are given tabulated records of some of the chief items of the balance sheet and profit and loss account statements of these companies. Toronto Paper Mfg. Co., not listed on Montreal Exchange, showed profits of $162,373, its assets, $1,752,093; common stock, $750,000; bonds, $468,100, and working capital exceeds $360,000.

Year ending	Abitibi Dec. 31	Brompton Dec. 31	H. Smith Dec. 31	Laurentide June 30	Price Bros. Feb. 28	Prov. Pr. Dec. 31	Riordon Dec. 31	Spanish June 30	Wayag'k Nov. 30
NET PROFITS									
1919	....	....	....	$ 2,955,976	$ 1,493,961	....	....	$ 2,757,964	....
1918	$ 1,643,653	$ 1,051,274	$ 252,604	2,593,834	1,374,782	$ 404,142	$ 1,651,250	1,729,231	$ 1,057,742
1917	1,328,001	1,073,562	200,546	2,220,660	1,240,485	463,899	1,943,651	2,117,734	966,349
1916	....	Reorg. 1916	159,153	1,123,465	* 913,013	437,804	1,526,615	1,342,390	979,362
1915	....	....	....	1,034,606	....	168,242	427,049	1,019,577	† 584,373
1914	....	....	....	954,959	* 594,011	149,271	375,863	879,285	* 403,903
Surplus for Year.									
1919	....	....	....	431,656	653,984	....	....	1,296,921	....
1918	511,202	287,274	91,292	744,655	311,453	113,117	366,563	577,575	544,036
1917	341,122	319,826	81,622	856,011	505,218	184,333	512,943	1,129,504	513,965
1916	....	Reorg. 1916	—810	169,823	393,538	283,632	963,236	431,291	604,724
1915	....	....	....	19,192	....	....	131,254	144,809	286,823
1914	....	....	....	154,774	* 233,780	....	87,079	157,272	193,903
Net Working Capital									
1919	....	....	....	5,355,670	4,848,981	....	....	....	....
1918	1,200,000	1,313,793	69,868	4,679,668	3,395,365	570,494	255,414	3,904,409	1,330,650
1917	....	1,719,755	199,476	4,362,901	1,646,906	621,022	1,397,376	3,473,064	432,652
1916	....	Reorg. 1916	104,714	3,888,138	*1,053,054	....	1,061,541	† 441,760	300,461
1915	....	....	10,584	65,774	....	....	744,983	† 322,442	....
1914	....	....	....	1,473,205	* 556,521	....	578,054	† 341,540	....
Other Statistics									
Assets	$17,097,762	$12,338,773	$ 2,631,666	$15,617,167	$19,550,689	$ 5,882,874	$12,779,354	$31,603,104	$11,476,323
Surplus	1,073,249	607,100	365,181	2,857,204	2,874,224	852,406	2,218,376	2,368,222	1,408,060
Com. Stock	5,000,000	7,000,000	1,062,500	9,600,000	5,000,000	2,481,300	4,500,000	8,000,000	5,000,000
Pref. Stock	1,000,000	2,000,000	475,000	None	None	1,700,000	1,000,000	5,699,100	None
Bonds, etc.	5,768,200	1,524,000	800,000	565,778	5,172,000	245,000	6,028,500	10,332,112	3,395,000
Div. on Com.	6%	5%	None	12%+	8%	4%	10%	None	None
Div. Earned on Com.	....	9.1%	10.6%	19%	13%	8%	18.14%	Arr. on pref.	11%

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*Year-end changed in 1914 from Nov. 20 to Feb. 28.

†Not including earnings of Lake Superior Company.

POINTS FOR INVESTORS

The Spanish River Pulp and Paper Mills was incorporated in January, 19111, and took over as a going concern the Spanish River Pulp and Paper Co., which had been incorporated in 1899. The agreement with the old company made in 1899 gave it the right to the use of limits for a period of 21 years. In 1909 a further agreement was entered into. The concession received from the Ontario Government consisted of an area estimated at 5,000 square miles. In 1912 the company took over the business of the Ontario Pulp and Paper Co. at Sturgeon Falls and in 1913 secured the Lake Superior Paper Co. at Sault Ste. Marie, Ont. This gives the company three plants, the original one being at Espanola. During the year ended June 30th, 1918, nearly $1,000,000 was expended in increasing the capacity of the plant for pulp by 100 tons a day.

The Riordon Pulp and Paper Co. was incorporated in 1912 and acquired the property of the Riordon Paper Co., which was established in 1865. In November, 1916, the company secured control of the Ticonderoga Pulp and Paper Co., through the purchase of the majority of the stock of that company. This property has been an immensely profitable one for the Riordon Co., as profits have been over 100 per cent. each year, and this year it is said will run close to 200%.

The company controls 1,184 square miles of timber on the Rouge River in Quebec Province. It is estimated that the company's limits contains 2,000,750 cords of pulp wood, 10,000,000 feet board measure pine, 50,000,000 feet of hemlock, 1,200,000 cedar ties, and 340,000,000 feet of board measure of various hard woods.

The following plants are owned by the company: A sulphiate pulp mill at Hawkesbury, built in 18898, with a capacity of 55,000 tons annually; a mill at Merriton, which turns out bleached sulphite pulp, with a capacity of 9,000 tons of sulphite pulp, 6,000 tons of ground wood pulp, 6,000 tons of wall paper and building paper. Also mills at Calumet and L'Annonciation. There are several other mills which make hardwood lumber with a capacity of 15,000,000 board measure of soft wood lumber, 5,000,000 feet board measure of hardwood lumber.

The company's water power includes those on the Welland Canal with also rights near the mouth of the Rouge River.

The Laurentide Co. paid 1½%, its first dividend, in 1911 and 8 per cent. from 1912 to 1916. In 1917 they paid 9½ per cent. The earnings of Laurentide were as follows: 1919, 19 per cent. on common stock; 1918, 17.75; 1917, 17.91; 1916, 9.77; 1915, 8.20; 1914, 7.61; 1913, 10.53; 1912, 10.47. The average earnings for seven years from 1912 to 1918 were 11.85 per cent. or $1,056,068.

The company was incorporated in March, 1911, and took over the assets and good will of the Laurentide Paper Co., which had previously been termed the Laurentide Pulp Co., organized in 1887.

Some of these plants are located at Grand Mere, Que., and produce sulphite pulp and pulp paper and cardboard. The company's timber rights are more than 2,500 square miles.

Price Bros. The earnings of this company were, in 1918, 18.55 per cent.; 1917, 16.10; 1916, 7.87; and for the year ended Nov. 30th, 1914, 4.67, and the previous year, 3.48, and the year before that 4.34.

The average annual income for 6 years ending February, 1918, was $476,438, or 9.52 per cent. on the stock.

The company was incorporated in 1904, although the business was established over 100 years ago. The company owns above 4,171,000 acres of timber over 6,000 square miles, pulp wood land of 163,000 acres, 4,000,000 acres of Crown lands in Quebec Province. The land is said to contain over 3,000,000,000 feet board measure of timber and over 20,000,000 cords of pulpwood.

There are nine saw mills with a combined capacity of 1,000,000 feet a day, 3 single mills and pulp and paper mills with an annual capacity of 72,000 tons of newsprint, 58,000 tons of ground wood pulp, and 35,000 tons of sulphite pulp, together with a plant of 14,000 horse-power.

The Abitibi Power & Paper Co. was incorporated in 1914. It has 1,560 square miles of pulp limits, or about 1,000,000 acres. The mills manufacture groundwood pulp, sulphite pulp and newsprint.

The Brompton Pulp & Paper Co. was incorporated in 1916, and purchased the Brompton Pulp & Paper Company. It is engaged in the manufacture of groundwood pulp, kraft pulp, newsprint, fibre paper, box board, and lumber.

The Provincial Paper Mills Company was organized first as a stockholding company for the St. Lawrence Paper Mills Co. at Mille Roches, Ont., and the Barber Paper & Coating Mills at Georgetown, but in 1916 all properties and assets were deeded to the Provincial Paper Mills. They own also a paper mill at Thorold, formerly known as the Montrose Paper Mills.

Howard Smith Paper Mills owns mills at Beauharnois, Que., and at Crabtree Mills, Que., the later having been turned over from a newsprint mill to a sulphite bond mill in 1918.

The Wayagamack Pulp & Paper Company holds under Government license 1,121 square miles of spruce and pine timber limits in the Valley of the St. Lawrence River in the Province of Quebec, and its tributaries. A timber expert estimates that the limits contain 497,000,000 feet B.M. of white pine, 706,000,000 feet B.M. of spruce, and 5,738,480 cords of the best pulp wood, or a total of 4,072,000,000 feet B.M. The company manufactures sulphate pulp and kraft paper, about 160 tons of the former daily, and 65 to 70 tons of kraft paper.

HOW PEACE HAS AFFECTED PULP, PAPER INDUSTRY

Continued from page 17.

Peru and various other countries, but in all these countries we are now faced with active and lively competition.

The British Market

During the few months immediately following the armistice, Canada enjoyed a slight advantage over other countries in the British markets, because import restrictions imposed by the British authorities were lifted so far as Canada was concerned. This, however, proved a somewhat dubious advantage on account of the difficulty encountered in securing shipping space on ships going to British ports. The restrictions imposed upon the exports from other countries by Great Britain have since been lifted, so that all countries are now on the same footing so far as the admission of their exports to the United Kingdom is concerned, with Germany holding a distinct advantage over the rest of the world owing to the extremely low value of her exchange in the world's money markets. A British sovereign to-day will buy almost four times as much goods in Germany as it will pay for in Canada or the United States, thereby providing a handicap against those countries not easily to be overcome.

Looking After Export Trade

The Canadian pulp and paper industry has proved itself keenly alive to the situation. They have had A. L. Dawe, an export pulp and paper authority, in England for the past three months, acting in association with the Canadian Trade Mission in promoting interest in Canadian products. Several of the exporting companies have opened up selling agencies abroad and are doing their best to extend Canadian connections. Of course, the markets nearer at home are not being neglected.

Past Political Influences

It is, however, too early yet to offer a prediction as to the future of the industry's foreign business with so many new and untried elements entering into it. The most that can be said is that those responsible for the industry's progress are sparing no efforts to keep it to the fore and to maintain the lead that was secured during the war period. Much of the success of their efforts depends upon the treatment the industry is to receive at the hands of the Canadian Government and the Canadian public. If, as in the past, the Government, well-intentioned no doubt, but acting upon false economic principles, continues to hamper its development, the industry will certainly not develop to the full exetent of which it would otherwise be capable. Given a reasonably free hand and the ordinary sympathetic treatment accorded all other Canadian manufacturing industries, and, divorced from the political influences to which it has in the past been subjected, there is no reason why it should not continue in the future, as it does just at present, to lead all other Canadian manufacturing industries in the volume and value of its export business.

POPLAR USED FOR PULP AND FOR BOX-MAKING.

The different species of poplar other than the cottonwoods are usually mixed indiscriminately on the market. The most important species in Ontario are balm poplor or balm of Gilead (*Populus balsamifera*) and aspen (*Populus tremuloides*). These woods are used chiefly for pulp, but balm poplar is cut into lumber in Ontario and used for rough box-work and slack cooperage. The wood is soft, light, weak and very perishable, but is fairly tough, easily worked and is both tasteless and odourless. If properly seasoned it could be substituted in many cases for the rapidly disappearing basswood and the expensive imported tulip or whitewood, which is often called "yellow poplar." The supply of poplar in Canada and in Ontario is enormous, although some of the standing timber is defective. It is highly probable that new uses will be found for this wood when the prejudices against it are overcome, as stated in a bulletin issued by the Forestry Branch, Department of the Interior.

Only one species of basswood grows in Ontario, but the material bought in Eastern Canada and the United States may contain small amounts of less important species found in these regions. Basswood heads the list of what might be termed the soft hardwood—broadleaved trees with soft, light wood, such as basswood, chesnut, poplar and tulip.

The Greenshields Monthly Review

has often helped to disseminate sound economics and promote the cause of fair play for the pulp and paper industry.

It is read by many of the executives and directors of our largest companies. We should be glad to place pulp and paper men on the mailing list without charge.

GREENSHIELDS & COMPANY

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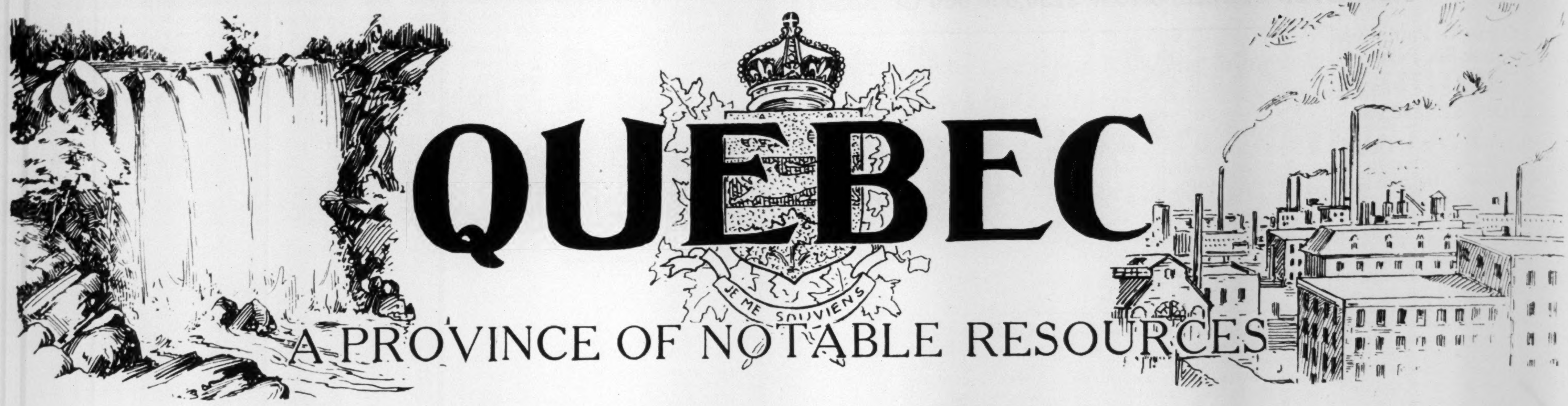
Central Chambers, Ottawa



QUEBEC

A PROVINCE OF NOTABLE RESOURCES

Water-Powers of Quebec

IN view of the great development that pulp and paper mills are undergoing at the present time, owing to the pressing demand for these products both at home and broad, it may be appropriate to recall the real advantages that the Province of Quebec offers for these industries. Not only can power be purchased at reasonable rates from the existing plants, but it can also be obtained from the numerous undeveloped sites which may be found both in the populated districts and northward in the great uninhabited New Quebec.

THE energy of water falls below the 50th degree of latitude has been estimated at 5,000,000 H.P. in round figures. Assuming that the remainder of the Province northward be equally well provided, it would follow that some 10,000,000 H.P. are now going to waste in the wilds of Labrador and Ungava. Be that as it may, there are undoubtedly good propositions much closer home that are only awaiting on initiative and ability of promoters to provide all the energy needed.

ACCORDING to the present policy of the Government, water-powers that are vested in the Crown are no longer sold outright; they are now disposed of under emphyteutic leases for periods varying between 25 and 75 years, according to circumstances. Emphyteusis is a contract according to which the proprieter—in this case, the Government—conveys an immovable for a period which cannot be shorter than 9 years nor longer than 99 to another person who undertakes to make improvements, etc., in accordance with conditions which are stipulated in the lease. This sort of lease differs from others by the fact that the lessee—provided he fulfills his obligations—becomes for all intents and purposes, the real proprietor of the object conveyed.

FOR persons interested in water-powers situated within a reasonable distance of the St. Lawrence River, their attention should be called to the falls of the Ottawa, St. Maurice, St. Francois and Saguenay rivers. There are also good sites on smaller streams flowing either directly in the St. Lawrence or in the above stated tributaries, for instance, on the Gatineau and the Batiscan.

IT may be proper to mention here the great Gouin reservoir at the head of the St. Maurice which regulates the flow of this river, causing a constant discharge of 12,000 cubic feet per second. There is another important storage dam at the outlet of Lake St. Francois which benefits the numerous mills established on this water course.

INTERESTING information on the subject may be found in the booklet entitled "Water-powers of Quebec" which has been published by the Department of Lands and Forests and which is distributed free on application.

Quebec,
September 16th, 1919

BOOK PAPER PRODUCTION AN IMPORTANT FEATURE OF THE CANADIAN PULPWOOD INDUSTRY

Some Distinctly Different Features of This Branch of the Business

DOMESTIC MARKET

Home Production Driving Out Foreign Competition and Also Attracting Export Demand

By W. A. CRAICK,
Editor "Industrial Canada."

IN considering the pulp and paper industry and particularly the paper manufacturing end of the same, there is a national tendency on the part of those who are not technically familiar with paper making processes, to regard all paper mills as alike. While there is a basis of similarity among paper plants, yet conditions surrounding the production and marketing of various classes of paper create a distinction between mills that should be taken into account by those who are interested in investing in the securities of the pulp and paper group.

Between mills engaged in manufacturing newsprint paper and those producing book and writing paper, there are marked divergences. As the activity of the past few years in pulp and paper stocks has had its basis very largely in the wonderful expansion and prospects unfolding before the newsprint industry, it might be as well to point out some of the differences between the two foremost branches of the paper manufacturing business, so that the same outlook may not be erroneously attributed to both.

Some Distinguishing Features

Newsprint producers almost invariably own their own timber limits and water powers, manufacture their own pulp and generally are self-contained industrial units, carrying through their various processes on a large scale. Their product is almost completely standardized, which means that once a paper machine is set in operation, it can continue running with only such interruptions as are needed for overhauling and repairs. Production is rapid, the character of the product not requiring that nicety of adjustment and careful handling so necessary in the production of the finer grades of paper. On this account, generally speaking, the efficiency of the skilled labor employed need not be so high as in mills where book and writing papers are manufactured.

CANADIAN PULP AND PAPER ASSOCIATION

The Canadian Pulp and Paper Association, which is steadily increasing its influence to the advantage of the pulp and paper industry in Canada, was first organized in March, 1913, with Carl Riordon, vice-president of the Riordon Pulp and Paper Company, as president. Mr. Riordon continued office throughout 1914, and in 1915 was succeeded by I. H. Weldon, president now of the Provincial Paper Mills. In 1916 Capt. J. H. A. Acer was at the head; in 1917, Howard Smith, of Howard Smith Paper Mills; in 1918, F. J. Campbell, of Canada Paper Mills, and for the current year, J. A. Bothwell, general manager of the Brompton Pulp and Paper Company. For the first three or four years A. G. McIntyre was secretary, and then was succeeded by A. L. Dawe, who now holds that position.

Compare with these conditions, those which prevail in the book mills. With certain exceptions, the latter do not own timber limits or water powers. They are dependent for their supply of new materials on other companies, and for this power on outside corporations. In a word, they frequently lack those self-contained features which go so far in contributing to the success of the newsprint produced. Being thus dependent on outside sources of supply, they are subject to fluctuations in price which makes buying a very important element in the carrying on of business.

Make a Variety of Grades

Unlike the newsprint mills, which are turning out a single uniform product, the book and writing mills are forever changing from one weight to another, and from one size to another. They have a multiplicity of grades, sizes and colors to produce, which means that a great deal of time is spent in adjusting machines for the various lines. Obviously this adds appreciably to overhead expense, and unless the extra cost can be taken care of by higher selling prices, the position of the book mills as compared with the newsprint mills is rendered the more unfavorable.

The necessity for the frequent changing over of machines in the book mills is due to the character of the market for book paper. Here again there is a sharp distinction between the two branches of the industry. The bulk of newsprint production goes to the United States, where no tariff barrier impedes its entrance. There it finds an immediate market—a market which has been growing steadily, in which higher prices rule than at home, and where no art of salesmanship is required to command large sales. On the other hand, the producer of book paper has been pretty much limited to the domestic market; at least, he has been debarred by the American tariff from entering the United States market, and has only sufficient protection to maintain his home market. Of late, it is true, a good deal of export business has been offering, sufficient indeed to absorb all excess production, but the permanence of this demand is a somewhat uncertain factor and one on which too high hopes cannot be built.

Book Paper Demand Scattered

Book paper consumption is on a considerably smaller scale than newsprint consumption, and it fluctuates more. The demand from newspaper publishers is fairly steady; that from the printers and others who use book paper is dependent largely on the general state of business. The main outlet at present is through the voluminous catalogues of the mail order houses and the various periodicals issued by magazine and business paper publishers. Apart from this demand, distribution is, as a rule, in small quantities and scattered over a wide area. It can be readily figured that under these circumstances the book paper manufacturer does not have the opportunity to operate his machines on those long, uninterrupted runs which are so profitable for the newsprint manufacturer.

Another factor relates to the selling end of the business. Newsprint virtually sells itself. The publisher enters into a contract with the manufacturer; this is usually renewed from time to time and the supply of paper is sent along as required. On the other hand, the book paper manufacturer, who distributes his product to printers and other customers all over the continent, requires a regular sales force to handle orders. In dull times he must drum up business. Even in busy seasons, his men must be on the road to see that the requirements of customers are properly filled. In a word, selling costs are higher in the case of the book mills than where newsprint only is concerned.

Book Mills Well Managed

It will be apparent to investors, following a consideration of these outstanding differences, that the stocks of companies engaged in the production of book paper are not to be gauged on the same basis as those of the big newsprint manufacturing companies. Both as regards processes of manufacture and distribution they are in a different class. This is not to say that investments in their securities may not prove profitable. Indeed, those book paper manufacturing companies like Provincial Paper Mills, Howard Smith Paper Mills and Toronto Paper Mfg. Company, whose stocks are listed on the exchanges, have of late had a good record, and are establishing themselves on a pretty solid basis. At the same time it must be recognized that shrewd and efficient management are essential factors.

There are eight companies in Canada engaged in manufacturing book and writing papers, either in whole or in part, and their capacity reaches around 166 tons per day. These companies include: Provincial Paper Mills Co.; Canada Paper Co.; Rolland Paper Co.; Howard Smith Paper Mills, Limited; the E. B. Eddy Co.; Kinleith Paper Co.; Toronto Paper Mfg. Co., and Brompton Pulp & Paper Co. Some companies, like the Provincial, make book paper almost exclusively; others, like the Rolland Company, go in largely for finer grade papers like bonds and ledgers. Among them they produce sufficient paper to meet domestic requirements, with a small surplus for export.

Export Demand Large

Export business has become an important feature since the war cut off the usual source of supply of countries which themselves do not produce paper. Companies claim that there exists a large enough export demand at present to absorb a quantity of paper well in excess of production and at higher prices than are obtainable at home. This demand might justify on its face an immediate enlargement of Canadian mills, but manufacturers propose to proceed cautiously. The permanence of the export demand is a question. Some believe that once Canadian-made paper establishes itself in the overseas markets, the demand will continue and grow. Others are more dubious, fearing that the competition of other paper-producing countries may become formidable as the industry revives. In the meantime the cost of enlarging existing mills or of building new mills is so great, being more than double what it was before the war, that manufacturers hestitate to embark on such uncertain programs. They prefer for the most part to wait until the outlook clears and costs come down.

The industry to-day is in a healthy condition. Profits are not running as high as they were a year ago, but the demand is large and steady, and prices are firm. Labor and transportation problems which were becoming serious factors towards the close of the war, are now pretty well settled, and while average labor may not be as efficient as in the days before the war, enough men are available to keep the mills going full time.

With a view to reducing overhead and introducing economies in production, mills have of late got together and formulated certain standards to which their product will conform. Hitherto one of the serious sources of loss lay in the constant changing over of machines from one weight and grade to another, and from one size to another. A customer could order practically what he wanted, and the mills would undertake to make it for him. To-day this uneconomical policy has been done away with and only a limited number of standard weights, sizes and colors are made.

Viewing the industry in its entirety it may be said that conditions are favorable for a continuance of the prosperous times which have characterized business of late years.

Canada's forests embrace 350,000 square miles of pulpwood timber, estimated to yield 1,033,370,000 cords of pulpwood.

Canada has developed water-powers estimated at 1,941,700 h.p., besides undeveloped water-powers incalculable.

While the bulk of Canada's pulp and paper exports go to the United States, they are also sent to Great Britain, Japan, Australia, New Zealand, South Africa, India, Cuba, Mexico and South America.

QUEBEC FORESTS ONE OF RICHEST TIMBER SOURCES

Continued from page 23.

able timber according to certain regulations.

License or permission to cut timber on public hands in this province is subject to a yearly ground rent per square mile of $6.50 for the years 1919-20 to 1923-24, both inclusive, and of $8 for the years 1924-25 to 1928-29, both inclusive.

The timber cut in virtue of such license is subject to a tariff of dues fixed by order-in-council.

Licensees are forbidden to cut on Crown lands trees less than a fixed diameter.

The regulations also provide that all timber cut on Crown lands must be manufactured in Canada.

In the event of a licensee wishing to transfer his rights, he is at liberty to do so under certain conditions, namely, the paying of a fee of $4 per square mile.

From the above facts it can be readily seen that the forest resources can supply various products which, like the yellow birch, the hard maple, the spruces, the red and white pine, can advantageously, for different uses, compare with some European woods. They can supply them in great quantity without showing any sign of depreciation. Moreover, there is plenty of room for the development of new industries, such as pulp and paper mills, toy and woodenware manufactures. One must not forget that there is a great amount of hydraulic power still to be developed, the development of which would be beneficial to various industries using, as motive power, electrical energy. For the exportation of the finished products to European countries, no shorter nor more advantageous route could be found than the St. Lawrence Valley, which runs through the province in all it length and which afford remarkable harbor facilities.

The newspapers of the United States consume 2,000,000 tons of newsprint every year, of which Canada supplies, approximately, one-fourth.

The total annual output of the Canadian pulp and paper industry exceeds in value $85,000,000. It gives employment to 25,000 individuals; Its annual payroll exceeds $15,000,000. It has sent more than 3,000 men to the war.

Output of 30,000 Tons of Newsprint Annually

Donnacona Paper Company Limited

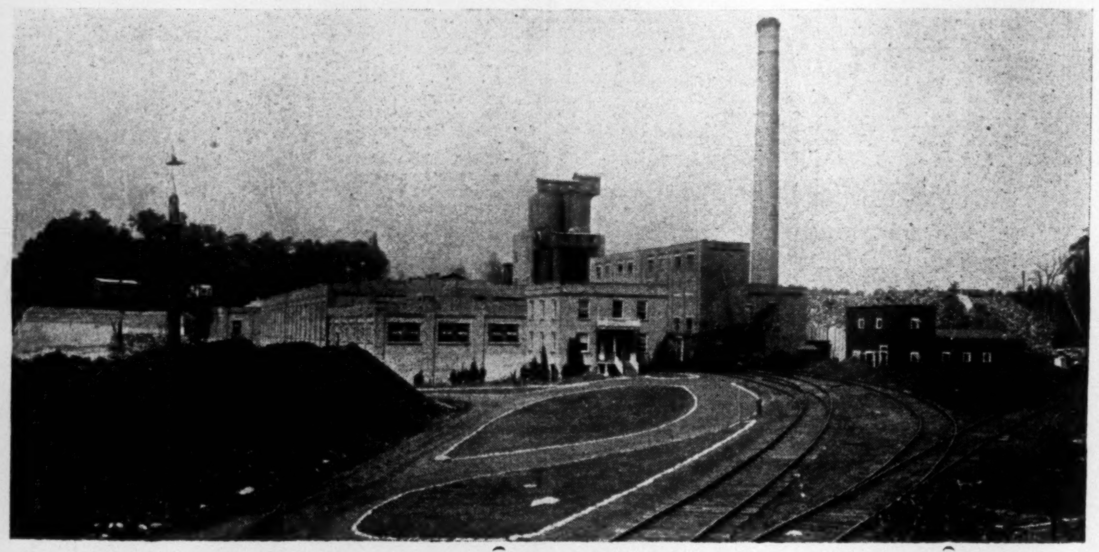
With 50,000 Tons of Groundwood and Sulphite Pulp

FEW pulp and paper plants could desire more favorable conditions for the development of this basic Canadian industry than the Donnacona Paper Company, Limited, possesses at Donnacona, Quebec: Ample timber limits located in close reach of the mills; Hydro-Electric developments on the Jacques Cartier River, whose possibilities have only been touched as yet; and shipping facilities that include two steam roads, the Canadian Pacific Railway and the Canadian Government lines; the Company's docks on the St. Lawrence that provide an easy and cheap approach for such extra supplies of pulpwood as are required, and in addition an outlet for its products to its markets. Under these conditions, then, theDonnacona Paper Company is showing the following output figured on a yearly basis:

Newsprint paper	**30,000 tons**
News sulphite pulp	**18,000 tons**
Groundwood pulp	**42,000 tons**

The products of the Company have always found a ready market at remunerative prices almost exclusively in the Eastern States, its newsprint being sold under long-term contracts to various New York publishers. Steadily, with the growth in its products, the earnings have grown: For the years 1916-1918, inclusive, they averaged $325,697; for the year ended Dec. 31, 1918, they amounted to $445,507, and based on the earnings for the portion of the present year, the estimate is that they will easily reach $500,000 for 1919. Among the engineering features that distinguish the works is a dam 1,112 feet in length. In the timber spillway there was used 1,242,149 feet of lumber. The penstock (carrying the water) is of steel, 15 feet in diameter and 1,581 feet in length, and for the greater part of its course is underground.

TIMBER HOLDINGS



East view of plant—The Donnacona Paper Co., Limited

The Company owns 17,500 acres of Freehold Timber Limits and controls by lease from the Province of Quebec 119,680 acres of leasehold Timber Limits tributary to the Jacques Cartier River in the Province of Quebec. These limits are estimated to contain 1,100,000 cords of wood.

The Company also owns all of the timber areas previously acquired and held in the name of the Sautauriski Lumber Company, Limited, all of whose issued shares are held by the Donnacona Company. These limits cover 183,360 acres, tributary to the Jacques Cartier River, under lease from the Province of Quebec, and are estimated to contain 1,500,000 cords of wood.

The Company also owns the entire capital stock of the Baie St. Paul Lumber Company, Limited, which controls by lease from the Province of Quebec 43,200 acres of Timber Limits situated on the Du Gouffre River watershed, sixty miles east of Quebec, which are estimated to contain 250,000 cords of wood.

From private owners, the Company controls by favourable lease cutting rights on approximately 60,000 acres of Freehold Lands all of which are situated tributary to the Du Gouffre River and which are estimated to contain 400,000 cords of pulpwood.

The total supply of wood owned and controlled by the Donnacona Paper Company aggregates 3,250,000 cords, which is ample for many years' production at present capacity.

The bulk of the Company's pulpwood supply is situated adjacent and tributary to the Jacques Cartier River. Wood from these limits is available at the Company's Mill situated at the mouth of the Jacques Cartier River with a very short drive under most favourable and economical conditions. Wood from its Baie St. Paul holdings and from other limit holders along both shores of the St. Lawrence River is delivered most economically by water shipment on the St. Lawrence River direct to the Company's docks at its Mill.

EXTENSIVE WATER POWERS

The water powers controlled by the Donnacona Company consist of a development on the Jacques Cartier River having a maximum capacity of 6,000 H.P.; at Point Rouge a development of 1,000 H.P. with a maximum of 9,000 H.P. in connection with the groundwood pulp mill and at other sites along the Jacques Cartier River undeveloped water powers of a maximum capacity of 9,000 H.P. All these will be greatly increased by the construction of storage dams at the head waters of the Jacques Cartier River.

TOWNSITE DEVELOPMENT

The Company owns the entire capital stock of the Donnacona Improvement Company, Limited, which owns the Donnacona Company's extensive Townsite, comprising Hotel property, Store properties, Houses for employees, etc. The Company has expended large sums of money on the development of the Town of Donnacona and has installed modern electric light, water and sewage systems. The Townsite has a population of approximately 1,000. Expenditures made on the Company's Townsite development have reacted most favourably to the Company's benefit in that the most satisfactory relations are maintained between the Company and its employees.

DIRECTORS:

HARRY P. GOULD
President, Gould Paper Co., Lyon's Falls, N.Y.

F. K. KERNAN
Kernan & Kernan, Utica, N.Y.

W. N. KERNAN
New York State Railways, Utica, N.Y.

M. C. KLOCK
Manufacturer, Syracuse, N.Y.

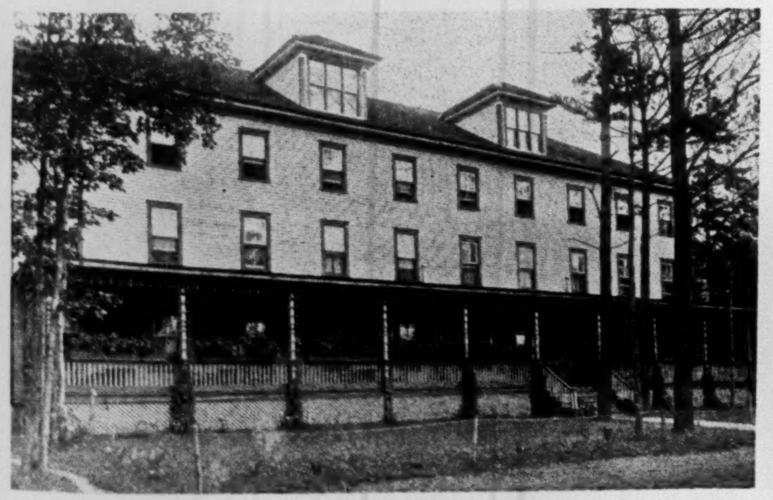
GEO. M. McKEE
General Manager, Donnacona, Que.

D. C. MURRAY
Johnson and Murray, Utica, N.Y.

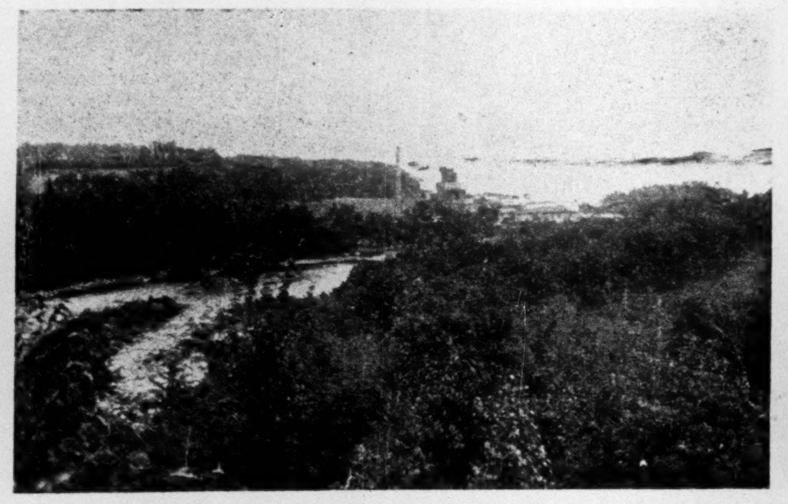
C. W. PRATT
President, Island Paper Co., Carthage, N.Y.

CHAS. B. ROGERS
President, First National Bank, Utica, N.Y.

The Balance Sheet of the Company shows a valuation of the Plants, Timber Limits, Water Powers, Buildings, etc., of $4,824,158.



Donnacona Inn—Owned and operated by The Donnacona Paper Co., Ltd.

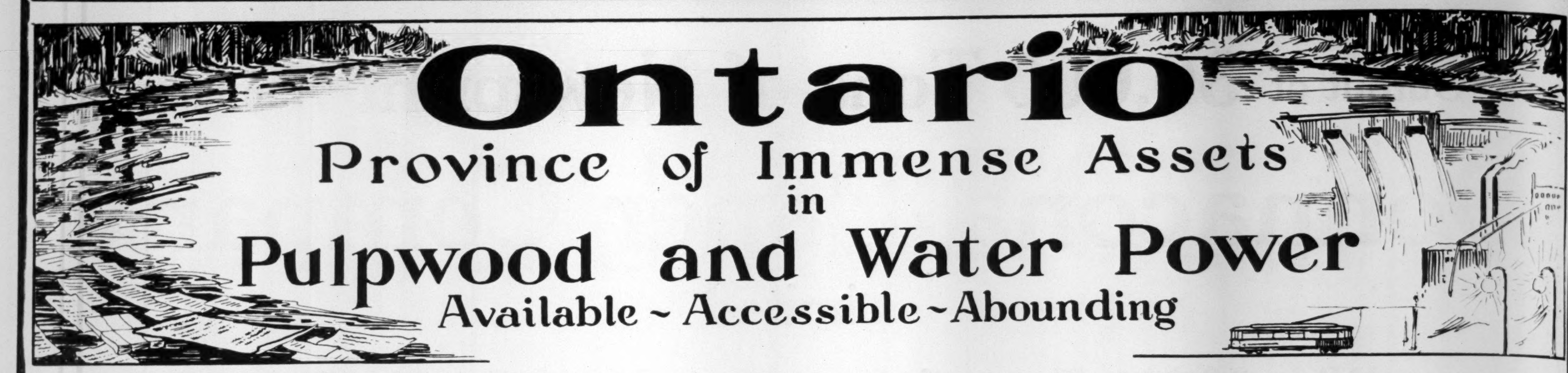


Bird's-eye view of plant and River St. Lawrence

Terrace houses—for employees Donnacona Village

Views show excellent waterways connections of plant, the Inn, and attractive homes built by Company for its employees.

The Donnacona Paper Company, Limited - Donnacona, Que.



Ontario

Province of Immense Assets in Pulpwood and Water Power

Available ~ Accessible ~ Abounding

ACCORDING to the latest available returns the Province of Ontario possesses in pulpwood standing on Crown Lands as yet undisposed of, no less than 350 million cords. Of this at least 250 million cords are situated on land tributary to existing railways and waterways leading to them. The attention of the commercial world interested in Canada's production of pulpwood turns towards Ontario to-day with re-awakened realization of the fact that the well-conserved pulpwood resources of this province now present a field for productive investment which is absolutely unsurpassed from the points of view of abundance of raw materials, their accessibility, and their availablity for industrial use to good profit.

$100,000 Pile of Pulpwood in Northern Ontario

A winter harvest, Northern Ontario

Ontario's position in Canadian Lumber production is now, and is likely to be for a long time to come, first. A sum of $17,848,675 represented Ontario's returns from lumber in 1917. In pulpwood at that time Ontario registered a production of 735,691 cords, valued at $7,430,355, or actually 252,914 cords more than the whole Dominion output of pulpwood in 1908 (the first year when reliable figures were obtainable). And while the importance of Ontario's pulpwood production is steadily increasing owing to the commercial availability of Ontario's illimitable pulpwood areas, such is the extent of these resources that it will be a very long time before the reforestration measures already greatly advanced by a far-seeing administration come to be drawn upon for commercial requirements in lumber and pulpwood.

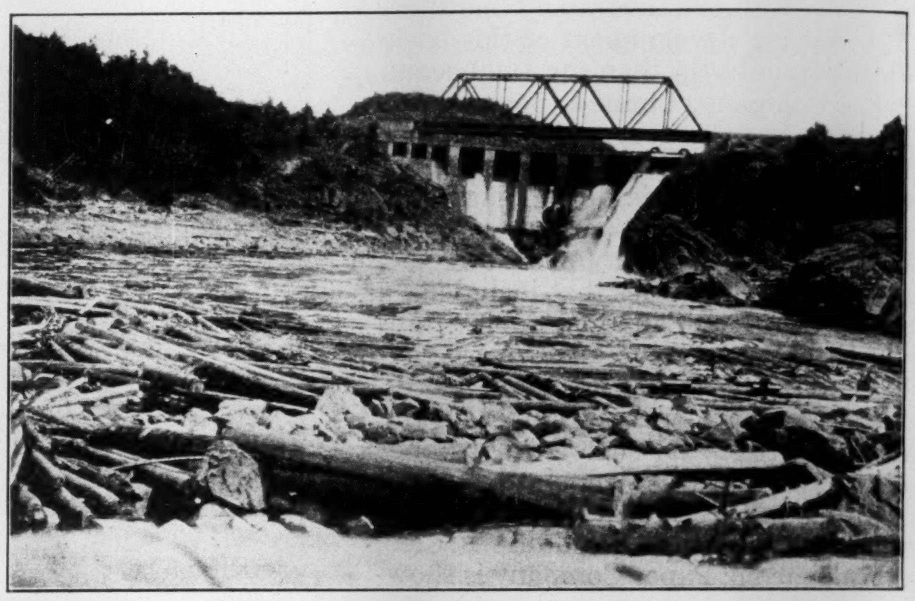
Ontario has available in forest lands 125,000 square miles of territory. North of the C.P.R. there extends an area of at least sixty million acres of land thickly grown over with spruce, jack-pine, and poplar, and plentifully supplied with lakes and rivers for the transportation of the logs. Beyond is the district of Patricia, covering an area of some 146,000 square miles, with lumber and pulpwood resources as yet entirely unestimated. But stress is here laid only upon the available and accessible abundances of Ontario's immensely valuable pulpwood. Vast areas of the district of Patricia are still unexplored and uninhabitated. The district has a coast line of 400 miles on Hudson Bay and James Bay and extends westward to the Manitoba boundary. Its southern limits are at the English and Albany Rivers, nearly 150 miles north of the Transcontinental Railway line. The fact that Ontario's wealth in pulpwood resources is so vast without taking the pulpwood of Patricia District into account at all is significant in any estimate of the pulpwood and waterpower prospects of the province.

Waterpower in the Province of Ontario is a power to reckon with. With immense areas richly watered by river and lake still unexplored and unrecorded as to power resources the Province of Ontario to-day is counted a close second to Quebec Province in water power resources. The figures of what is admittedly a rough and conservative estimate by the Dominion Water Power Branch made in 1918 give Ontario 5,800,000 H.P. in prospective power and only 789,500 as yet developed. More power is already developed in Ontario than in Quebec Province.

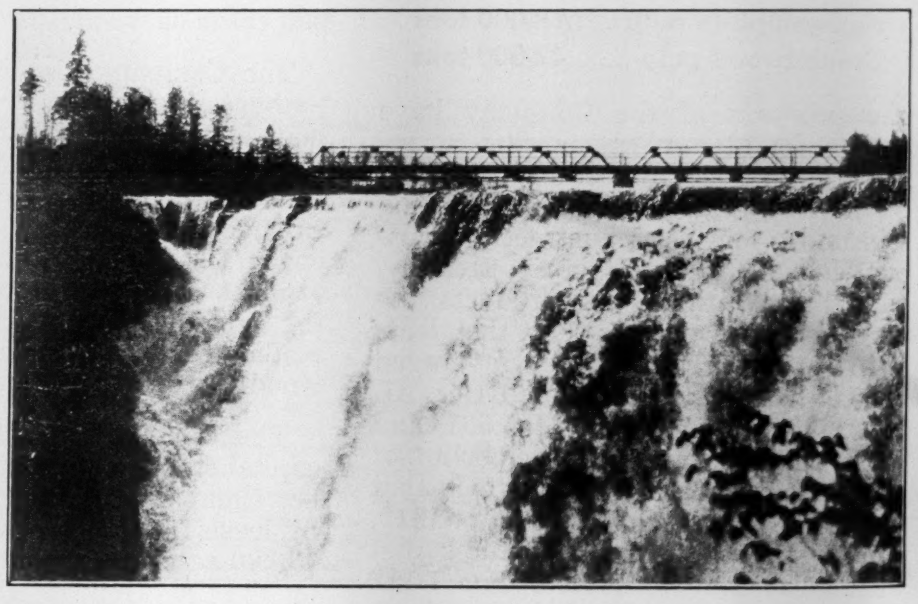
It is interesting to note that in the development of Ontario's greater water-power resources so far the existing pulp and paper companies stand out as noticeably productive. Some 50,000 H.P. are found on recent records as developed by three of the important pulp and paper concerns so far located in Ontario. Fifty thousand H.P. out of a possible five million H.P. still to develop is a contrast which slightly indicates the potentialities of Ontario in this direction.

Valuable and continually growing fund of information on the power and pulpwood assets of Ontario is found in the Annual Reports of the Minister of Lands, Forests and Mines for the Province. These reports contain evidence of steady and persistent achievement in the surveying and recording of the timber, pulpwood, and power resources of the province, the conservation of these valuable assets, and the far-seeing provision being made for the future in the fields of fire-protection and reforestration. For a number of years, with energy only slightly checked by the war, Provincial Forestry Stations have been assiduously providing immense quantities of seedling trees valuable both as timber and as pulpwood in their maturity, and the progress of plantations made is remarkably rapid, a further indication of the potentialities of Ontario in this direction. Throughout the detailed reports of the surveyors and rangers employed by the Department of Lands and Forests run continual references to the timber and pulpwood resources of the territories they have traversed.

Maps and General Information obtainable from The Department of Lands Forests and Mines, Parliament Building, Queen's Park, Toronto.



The Espanola Water Power on the Spanish River showing Algoma Eastern Railway Crossing



Kakabeka Falls

Realising on Ontario's Resources in Pulpwood, Power and Transportation

Just an Outline of Ontario's Immense Resources in Timber and Pulpwood Yet Untouched

Total Area of Ontario's Forest Lands (exclusive of the District of Patricia):

125,000 sq. miles

Acreage of spruce, jack-pine, and poplar just North of the C.P.R :

60,000,000 acres

Pulpwood standing in Crown Lands undisposed of as yet:

350,000,000 cords

Pulpwood undisposed of and tributary to existing railways, and waterways that lead to them:

250,000,000 cords

Production of Pulpwood in Ontario in 1917:

735,691 cords

Value of pulpwood produced in Ontario in 1917:

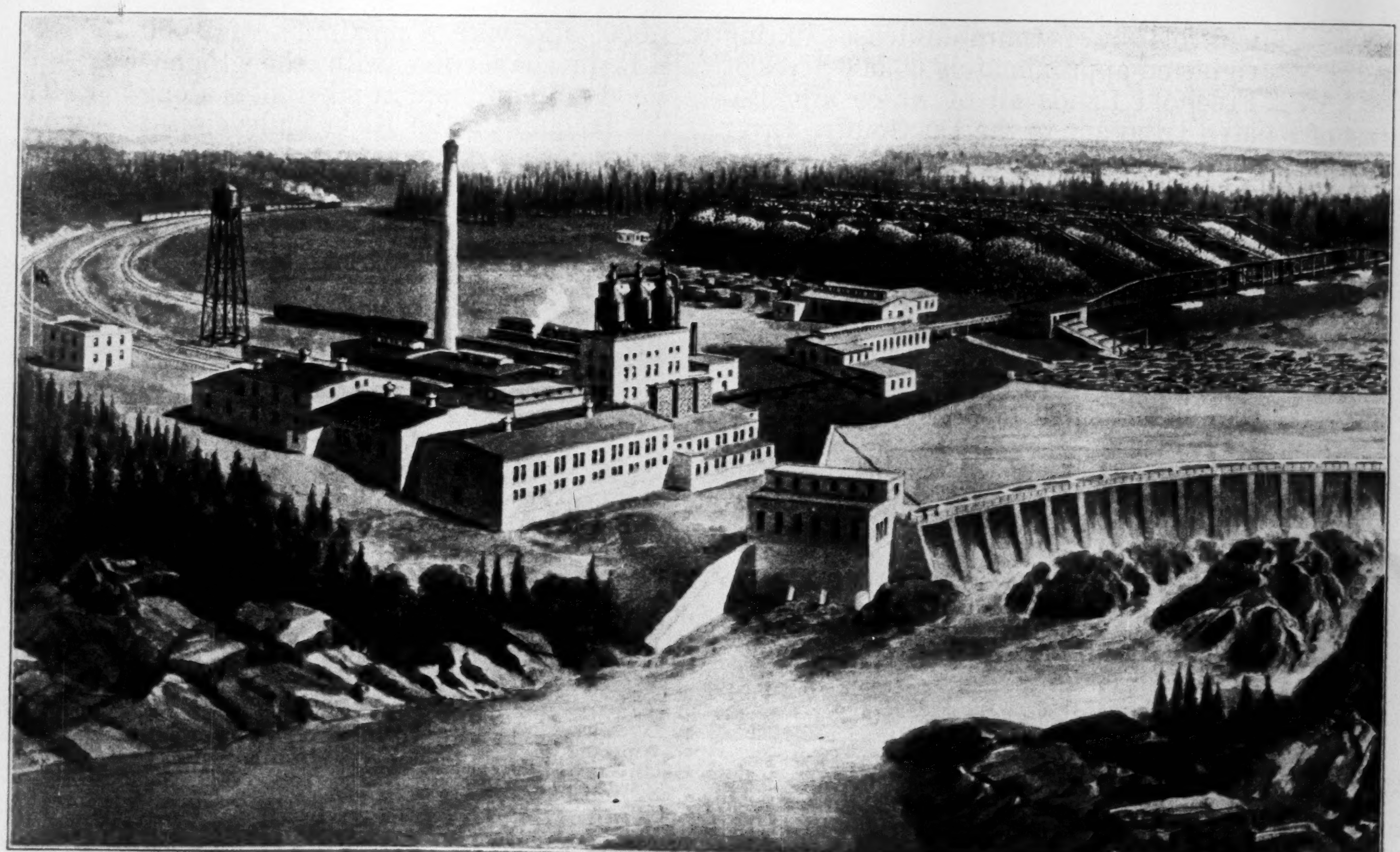
$7,430,355

Extent of the District of Patricia (North of the Transcontinental Line) the pulpwood resources of which are as yet entirely unestimated:

146,000 square miles

Capital invested (Buildings and Machinery) Pulp and Paper Mills:

$72,006,972



Plant of the Mattagami Pulp & Paper Co., Ltd., now in operation at Smooth Rock Falls, on the Mattagami River, 30 miles west of the Town of Cochrane, Transcontinental Railway. Capacity of first unit, 150 tons sulphite fibre; hydraulic development at 45-foot head, 10,000 h.p. A spur line has been constructed from the Transcontinental Railway, north 3½ miles to the mills.

A Brief Outline of Ontario's Splendid Resources in Partly Developed and Virgin Water-Power.

Dominion Water-Power Branch: Rough estimate of the water powers undeveloped Ontario in 1918	5,800,000 H.P.
Dominion Water-power Branch: Estimate of Ontario's developed water powers as at 1918	789,500 H.P.
General Outline of the distribution of Ontario's water-powers:	
Ottawa River and Tributaries	688,000 H.P.
Great Lakes Tributaries	446,000 H.P.
Hudson's Bay Slope	250,000 H.P.
James Bay	1,500,00 H.P.
International Boundary Rivers	2,045,000 H.P.
Estimated development of various water-powers by pulp and paper companies operating so far in Ontario:	
Mattagami Pulp and Paper	10,000 H.P.
Abitibi Pulp and Paper.	17,500 H.P.
Spanish River Pulp and Paper (Three Powers, Soo, Espanola, Sturgeon)	30,000 H.P.
Dryden Pulp and Paper Co.	2,500 H.P.